DIRECTORY

Foreign clients a boon to some

Several of the firms responding to this year's real estate investment manager survey reported a significant portion of their overall business came from overseas investors.

Of the 106 firms surveyed, 38 said they had a total of $14.196 billion in assets from foreign clients. Foreign business represented about 4.6% of the $311.159 billion in total real estate assets under management.

Of the $14.196 billion in foreign business, $4.612 billion came from Japanese clients, while $8.707 billion was from non-U.S. pension funds.

For some advisers foreign business can represent a substantial part of the firm's overall business. New York-based Corporate Property Investors had total assets of $3.679 billion as of June 30, of which about $1.4 billion, or 38%, was from offshore investors.

Richard Ellis Inc., New York, with $5.067 billion in total real estate assets under management as of June 30, was among the leading U.S. advisers in terms of business from overseas clients.

As of June 30, Richard Ellis had $2.686 billion in "advisory relationships" with foreign clients. Of that total, $920 million was from two Japanese institutional clients and $1.766 billion came from non-U.S. pension funds.

David R. Hodes, senior vice president at Richard Ellis, said there were two reasons for the firm's success with foreign clients.

"In the case of our European clients, our origins as an offshoot of a British-based company may have created some name recognition," he said. And, he added, the firm has diligently marketed its services to potential clients in Japan and Europe.

Equitable Real Estate Investment Management Inc., Atlanta, with $33.705 billion in total real estate assets, had $1.282 billion in foreign business relationships as of June 30. Japanese clients account for all of the foreign business except for $50 million, which came from European and Middle Eastern investors.

Of the Japanese assets, $256 million was from Equitable Pacific Partners, a pooled fund for Japanese institutional and corporate investors; the balance was assets invested by Japanese institutions in various joint ventures with Equit-

Continued on page P26

Firms' assets climb 22%

Advisers stick to strategy

By Chuck Paustian

Tax-exempt assets run by the leading real estate investment management firms grew 21.9% during the year ended June 30, lagging the previous year's increase of 27%.

Tax-exempt institutional investors, however, barely altered their investment styles from a year ago.

A survey of 106 real estate investment firms showed total tax-exempt assets climbed to $94.579 billion as of June 30. The previous year's survey of 100 firms revealed $77.613 billion in total tax-exempt real estate assets under management.

For both years, the increase in assets was primarily the result of pension funds — especially public retirement systems — continuing to develop their real estate allocation programs. Many funds have either set or increased their target allocations for real estate investments, usually ranging from 5% to 20% of total assets.

"There's a certain lag time involved in the decision to diversify or in getting the legislative authority to diversify into real estate and other alternative asset classes," and actually investing the earmarked assets, said Robert L. Gernstetter, senior consultant with the Stratford Advisory Group, Chicago.

Among tax-exempt portfolios, real estate equity was clearly the preferred means of investing. Tax-exempt real estate equity assets rose 27.1% to $72.546 billion as of June 30 from $57.087 billion the previous year.

Tax-exempt hybrid debt assets increased 10.3% to $15.277 billion as of June 30, from $13.845 billion a year earlier; tax-exempt mortgage assets climbed 1.7% to $6.586 billion from $6.479 billion.

The interest rate environment during the past year has not favored hybrid debt financing, said Ronald A. Karp, president of Ronald A. Karp Associates Inc., Summit, N.J.

"Rates have been at a level that favors conventional financing — namely straight debt," he said. "If developers can get straight debt financing, why give away 50% of the equity," he said.

Tax-exempt investors, for the most part, have never been major mortgage lenders.

Total real estate assets managed by the 106 firms in this year's survey grew 17.3% to $311.159 billion as of June 30; the 100 firms in the previous year's survey reported total assets of $265.332 billion the previous year. The assets as of June 30 includes $155.763 billion in equity real estate, $19.223 billion in hybrid debt and $136.003 billion in mortgages.

This year's survey also showed investment managers will be searching the country for properties to buy, but the firms' investment strategies — and those of their institutional clients — remain relatively unchanged from the previous year.

- Of the 50 largest real estate managers, 27 will be focusing on acquisitions; all the firms in the survey have almost $14 billion to invest.
- Tax-exempt investors continue to invest the bulk of their assets through commingled funds rather than through separate accounts.
- The property mix of the tax-exempt portfolios and the amount of money invested in development deals, rather than in existing properties, showed little, if any, change from the previous year.

Most of the 50 largest real estate managers will be concentrating on acquiring new properties for their tax-exempt institutional clients. In the previous year's survey, less than half of the top 50 firms said acquisitions would be their primary focus.

"The decision to place a lot of emphasis on the deal side (of the business) is a function of the amount of capital the manager has to invest," Mr. Gernstetter said.

Mr. Karp said the managers may be feeling some pressure to get the assets invested in the market. "The manager knows if he gets (the money) invested, he has a revenue stream for some time. If he doesn't get it invested, anything could change."

He said a pension fund's actuarial needs could be altered, the client might opt for a more aggressive manager or an investor could simply choose another asset class. "If you look at the last five years, real estate has underperformed stocks and bonds," he added.

Other managers will focus on improving the portfolios already acquired. Fifteen advisers of the top 50 said their primary emphasis will be on rehabilitation and/or asset management of existing properties.

In fact, the 106 firms responding to this year's survey reported they expect to spend $1.52 billion on rehabilitation, renovation, expansion or modernization of existing properties during 1988.

Tax-exempt institutions appear to be in a holding pattern regarding the means through which they implement their real estate investment programs.

Of the $94.342 billion in tax-exempt assets that were broken out between commingled funds and separate accounts, $52.135 million, or 55.3%, was in pooled funds, while $42.207 billion, or 44.7%, was in separate accounts.

Of the total $77.6 billion of tax-exempt assets in the previous year's survey 54.6%, was in commingled funds, while 45.4%, was in direct accounts.

The property mix of the managers' tax-exempt portfolios also showed little change.

Managers responding to this year's survey reported 37% of their tax-exempt assets in office properties; 21% in retail; 19% industrial; 9% multifamily housing; 2% hotels or resorts; and 12% other, which includes land and mixed-use investments.

According to last year's survey, the tax-exempt property mix was 39% office; 20% retail; 18% industrial; 9% multifamily housing; 2% hotels or resorts; 3% land; 2% mixed-use; and 7% other.

In addition, although the actual dollar amount invested by tax-exempt investors in development projects increased, the percentage of total tax-exempt assets invested in such deals, 11%, remained unchanged.

Paul Saint-Pierre, managing director of Pension Realty Advisors, San Francisco, said the differences between the findings of this year's survey and those of a year ago, though small, are indicative of the changing nature of tax-exempt institutional investors.

"If one category changes one percentage point of two percentage points, that's a lot," he said. "There has to be a fair amount of money pouring into that sector for that to change."

As for the percentage of assets invested in commingled funds vs. separate accounts, he said several managers have introduced specialized pooled funds. "That's really placating investor interest," he said.

For example, "if there is an industrial commingled fund, then an investor doesn't have to hire a (separate account) manager to do it."

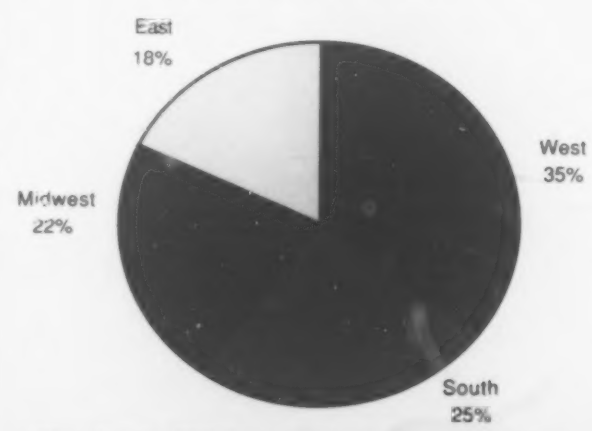
There were changes, however, among the top 10 rankings of real estate investment managers for all categories surveyed.

Among the largest real estate managers of tax-exempt assets, Copley Real Estate Advisors, Boston, and JMB Institutional Realty Corp., Chicago, vaulted ahead of other managers, primarily because of their participation in the $6.7 billion acquisition of Cadillac Fairview Corp. by Chicago-based JMB Realty Corp., an affiliate of JMB Institutional.

Copley finished first after being ranked fifth in last year's survey, while JMB Institutional placed third, up from ninth.

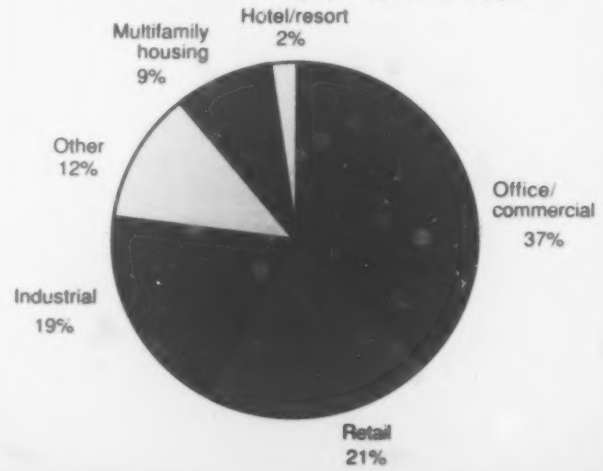
Continued on page P26

Investments by region*



*Based on the FRC Property Index's geographic locations

Investments by property type



Real estate investment advisers ranked by tax-exempt assets

		Tax-exempt assets ($ mils.)				Total assets ($ mils.)			
		Total	Equity	Hybrid debt	Mortgages	Total taxable/ tax-exempt	Equity	Hybrid debt	Mortgages
1.	Copley Real Estate Advisors **	8,698	8,698	—	—	12,099	12,099	—	—
2.	Equitable Real Estate Investment Mgmt.	8,318	7,712	169	437	33,705	22,683	1,804	9,218
3.	JMB Institutional Realty	6,800	6,800	—	—	21,500	21,500	—	—
4	Prudential Realty Group	5,171	4,740	220	211	37,813	14,695	220	22,898
5.	Heitman Advisory	4,881	4,881	—	—	5,153	5,153	—	—
6.	Aetna Life and Casualty	4,689	3,505	1,130	54	26,823	4,857	1,130	20,836
7	RREEF	3,072	3,072	—	—	3,495	3,495	—	—
8.	Aldrich, Eastman & Waltch	2,573	545	1,800	228	2,645	617	1,800	228
9.	Boston Co. Real Estate Counsel	2,390	660	1,730	—	2,390	660	1,730	—
10	Richard Ellis	2,381	2,175	206	—	5,067	4,861	206	—
11.	F.I.A. Associates	2,340	1,167	1,012	161	2,340	1,167	1,012	161
12.	TCW Realty Advisors	2,285	1,832	453	—	2,285	1,832	453	—
13.	LaSalle Advisors	2,216	2,216	—	—	2,216	2,216	—	—
14	Corporate Property Investors	2,151	2,151	—	—	3,679	3,679	—	—
15.	Balcor Institutional Realty Advisors	1,852	353	1,499	—	7,000	5,000	2,000	—
16.	CIGNA Asset Advisers	1,728	1,470	258	—	12,790	2,613	258	9,919
17	J.P. Morgan Investment Mgmt.	1,344	377	967	—	1,475	404	1,071	—
18	McMorgan	1,300	400	100	800	1,300	400	100	800
19	Lehndorff & Babson Real Estate Counsel	1,253	1,253	—	—	2,400	2,400	—	—
20	Mellon Real Estate Investment Mgmt.	1,220	586	385	249	1,220	586	385	249
21	Sentinel Real Estate	1,218	1,218	—	—	1,436	1,436	—	—
22	Latimer & Buck	1,213	—	562	651	1,213	—	562	651
23	Jones Lang Wootton Realty Advisors	1,200	800	400	—	1,200	800	400	—
24	First Chicago Investment Advisors	995	983	—	12	1,039	1,027	—	12
25	Coldwell Banker Capital Mgmt Services	968	925	43	—	968	925	43	—
26	Lomas Advisors	925	—	755	170	925	—	755	170
27	O'Connor Group	902	797	105	—	1,170	1,065	105	—
28	Alex. Brown Realty Advisors	882	40	813	29	1,284	40	1,215	29
29	Wells Fargo Realty Advisers	850	219	296	335	971	340	296	335
30	L.J. Melody	838	—	453	385	1,992	—	665	1,327
31	PSI Institutional Realty	812	812	—	—	2,400	2,400	—	—
32	Kennedy Associates Real Estate Counsel	796	486	291	19	796	486	291	19
33	Metropolitan Life	774	714	—	60	23,920	9,364	—	14,556
34	Property Capital Associates	770	770	—	—	770	770	—	—
35	Eastdil Realty	765	705	27	33	1,090	705	27	358
36	First Wachovia	708	602	39	67	708	602	39	67
37	MIG Realty Advisors	705	369	224	112	705	369	224	112
38	NCNB National Bank	629	537	92	—	629	537	92	—
39	Citicorp Investment Mgmt.	628	278	34	316	773	423	34	316
40	First Interstate Mortgage	585	35	50	500	585	35	50	500
41	John Hancock Properties	570	570	—	—	2,139	2,139	—	—
42	Karsten Institutional Realty Advisors	565	468	6	91	767	670	6	91
43	Cabot, Cabot & Forbes Realty Advisors	500	500	—	—	500	500	—	—
44	August-Am Cal Advisors	465	186	—	279	871	250	—	621
45	State Street Bank and Trust *	455	213	139	—	455	213	139	—
46	Travelers	449	405	—	44	19,803	1,569	—	18,234
47	McMahan Real Estate Advisors	438	329	109	—	556	417	139	—
48	Union Labor Life Insurance	413	—	—	413	887	—	—	887
49	Schroder Real Estate Associates	411	411	—	—	1,300	1,294	—	6
50	Chesterton International	383	288	91	4	383	288	91	4
51	ASB Capital Mgmt.	361	37	—	324	361	37	—	324
52	Bennett & Kahnweiler Realty Advisors	335	220	115	—	435	320	115	—
53	Phoenix *	320	70	190	—	320	70	190	—
54	Hancock Timber Resources Group	312	305	—	7	472	321	—	151
55	Principal	293	118	—	175	9,592	318	—	9,274
56	FS Realty Partners *	286	224	55	7	286	224	55	7
57	PMRealty Advisors	285	285	—	—	560	560	—	—
58	Sierra Capital Realty Advisors	263	263	—	—	440	440	—	—
59	Metric Institutional Realty Advisors	230	174	30	26	2,016	1,960	29	27
60	Bank of Boston Real Estate *	224	171	53	—	224	171	53	—
61	Woodmont Realty Advisors	200	200	—	—	200	200	—	—
62	Trident/Meyer Real Estate Advisors	194	147	47	—	194	147	47	—
63	Equitec Institutional Realty Advisers	180	180	—	—	1,800	1,800	—	—
64	Piedmont Realty Advisors	178	106	72	—	1,030	237	793	—
65	Trinity Advisors	158	158	—	—	158	158	—	—
66	Loeb Partners Realty	150	150	—	—	700	700	—	—
67	NCNB Texas	150	150	—	—	150	150	—	—
68	Landauer Advisors	128	128	—	—	767	508	259	—
69	Grubb & Ellis	128	101	24	3	628	601	24	3
70	Griffin Capital	119	14	5	100	119	14	5	100
71	Angeles Institutional Advisors	109	86	—	23	1,250	1,173	—	77
72	Rocky Mountain Investors	105	15	—	90	105	15	—	90
73	Acquest Capital Mgmt.	102	12	83	7	145	12	110	23
74	Lieberman	100	80	—	20	100	80	—	20
75	Wellington Real Estate	100	—	100	—	100	—	100	—
76	Mutual Benefit Life	94	27	—	67	5,437	258	—	5,179
77	T. Rowe Price Realty Advisers	90	90	—	—	250	233	17	—
78	D.A. Management	84	55	20	9	84	55	20	9
79	Tomlin Properties	80	80	—	—	584	584	—	—
80	NBS Realty Advisors	78	73	—	5	78	73	—	5
81	First Asset Realty Advisors	77	77	—	—	77	77	—	—
82	H.D. McNee Realty Advisers	72	9	—	63	72	9	—	63
83	Campbell Group	66	66	—	—	66	66	—	—
84	Massachusetts Mutual Life Insurance	63	63	—	—	5,320	363	—	4,957
85	MRealty	62	62	—	—	330	328	—	2
86	Hayden,Tolzmann & Associates	60	60	—	—	60	60	—	—
87	McKinley Associates	50	25	25	—	550	500	50	—
88	Southport Financial	40	40	—	—	306	242	—	64
89	United Trust Fund	40	40	—	—	180	180	—	—
90	Harris Trust & Savings Bank	37	37	—	—	37	37	—	—
91	Garrett Realty Advisors	35	35	—	—	35	35	—	—
92	Forest Investment Associates	31	31	—	—	53	53	—	—
93	American Agricultural Investment Mgmt.	12	12	—	—	21	21	—	—
94	Centerre Trust Co. of St. Louis (M)	12	12	—	—	12	12	—	—
95	First Wisconsin Trust	9	9	—	—	9	9	—	—
96	Mercantile Bank	8	8	—	—	8	8	—	—
97	Campbell Kunz Management *	7	—	—	—	7	—	—	—
98	John Hancock Financial Services	—	—	—	—	10,802	—	—	10,802
99	Equitable Agri-Business	—	—	—	—	2,022	130	—	1,892
100	Morguard Investments	—	—	—	—	1,350	1,350	—	—
101	AMB Investments	—	—	—	—	538	538	—	—
102	Agrivest	—	—	—	—	419	75	14	330
103	Jacques & Kurdziel	—	—	—	—	300	300	—	—
104	Penreal Advisors	—	—	—	—	193	193	—	—
105	Standard Asset Managers	—	—	—	—	184	184	—	—
106	Farmvest	—	—	—	—	5	5	—	—
	TOTAL	94,579	72,546	15,277	6,586	311,159	155,763	19,223	136,003

(M) - manager of managers; assets not included in totals
* - other assets included in total
** - data as of March 31, 1988

Aetna Life and Casualty Co.

151 Farmington Ave., Hartford, Conn. 06156; (203) 636-6254

Tax-exempt real estate assets	$4.689 million
Equity	$3.505 million
Hybrid debt	$1.130 million
Mortgages	$54 million
Commingled or pooled funds	
Equity	$2.806 million
Hybrid debt	$1.112 million
Direct, separate accounts	
Equity	$699 million
Hybrid debt	$18 million
Mortgages	$54 million
Total real estate assets	$26.823 million
Equity	$4.857 million
Hybrid debt	$1.130 million
Mortgages	$20.836 million

As of June 30, the tax-exempt equity assets of Aetna Life and Casualty Co. had a market value of $2.47 billion. Contributions received but not invested were $207 million; contributions committed but not received were $828 million.

The hybrid debt holdings had a market value of $960 million. Contributions received but not invested were $170 million. The market value of the mortgages was $36 million. Contributions received but not invested were $1 million, contributions committed but not received were $17 million.

Of tax-exempt general account assets, $15.588 billion was in mortgages.

For tax-exempt assets, the mix by property type was 3.7% hotel/resort; 22.8% industrial; 18.5% multifamily housing; 38% office/commercial; 15.6% retail; 1.4% single family.

The total tax-exempt property portfolio is located 41.6% in the West; 13.8% Midwest; 21.6% East; 23% South.

Aetna expects to be a net buyer in the East, West and Midwest regions and a net seller in the South region.

The firm expects to be a net buyer of retail, industrial, apartments and single-family properties and a net seller of offices.

Aetna expects to spend $250 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

Aetna offers open-end and closed-end commingled funds, including closed-end specialty accounts, open-end participating mortgage accounts, single property and individual separate accounts.

The Real Estate Separate Account, an open-end fund has invested $1.622 billion and received but not invested $179.3 million for 270 participants. The fund makes equity investments through forward commitments or by acquiring new, substantially leased properties. The account is diversified by property type and region.

The Participating Mortgage Separate Account, an open-end fund, has invested $898.7 million and received but not yet invested $127.2 million from 287 participants. The fund makes participating mortgage investments in existing, well-leased properties or to-be-built properties through forward commitments. The fund focuses on retail, industrial and apartments in the Northeast and West.

The Union Separate Account, an open-end fund, has invested $43 million; contributions received, not invested are $43 million. The fund uses participating mortgages to invest in newer, institutional-quality properties that are union built.

The Closed End Real Estate Separate Account I has invested $166.5 million; $3.5 million is not yet invested.

CERESA II has invested $102.8 million; $1.7 million is received but not yet invested.

Apartment Development Fund I, a closed-end fund, has invested $219.4 million; $10.3 million is received but not invested; $170.3 million is committed but not received. The fund makes equity investments in to-be-built apartments.

Aetna Institutional Investors I Limited Partnership, a closed-end fund, has invested $19.2 million; $400,000 is received but not invested; $80.4 million is committed but not received. The joint venture partnership fund will invest in apartment complexes, retail centers and industrial buildings in the Northeast, Midwest, West and Northwest.

Retail Development Fund, a closed-end fund, is open for subscription. The fund will make equity investments in retail properties with emphasis on the Northeast, Midwest and West.

A subsidiary is Aetna Realty Investors Inc.

William M. Russell, senior vice president-equity and Blake W. Irons, senior vice president-mortgage financing, are in charge of making property investments. John E. Arant, vice president-financial services, employee benefits division, is client contact.

Aldrich, Eastman & Waltch

265 Franklin St., Boston, Mass. 02110; (617) 439-9000

Tax-exempt real estate assets	$2.573 million
Equity	$545 million
Hybrid debt	$1.800 million
Mortgages	$228 million
Direct, separate accounts	
Equity	$545 million

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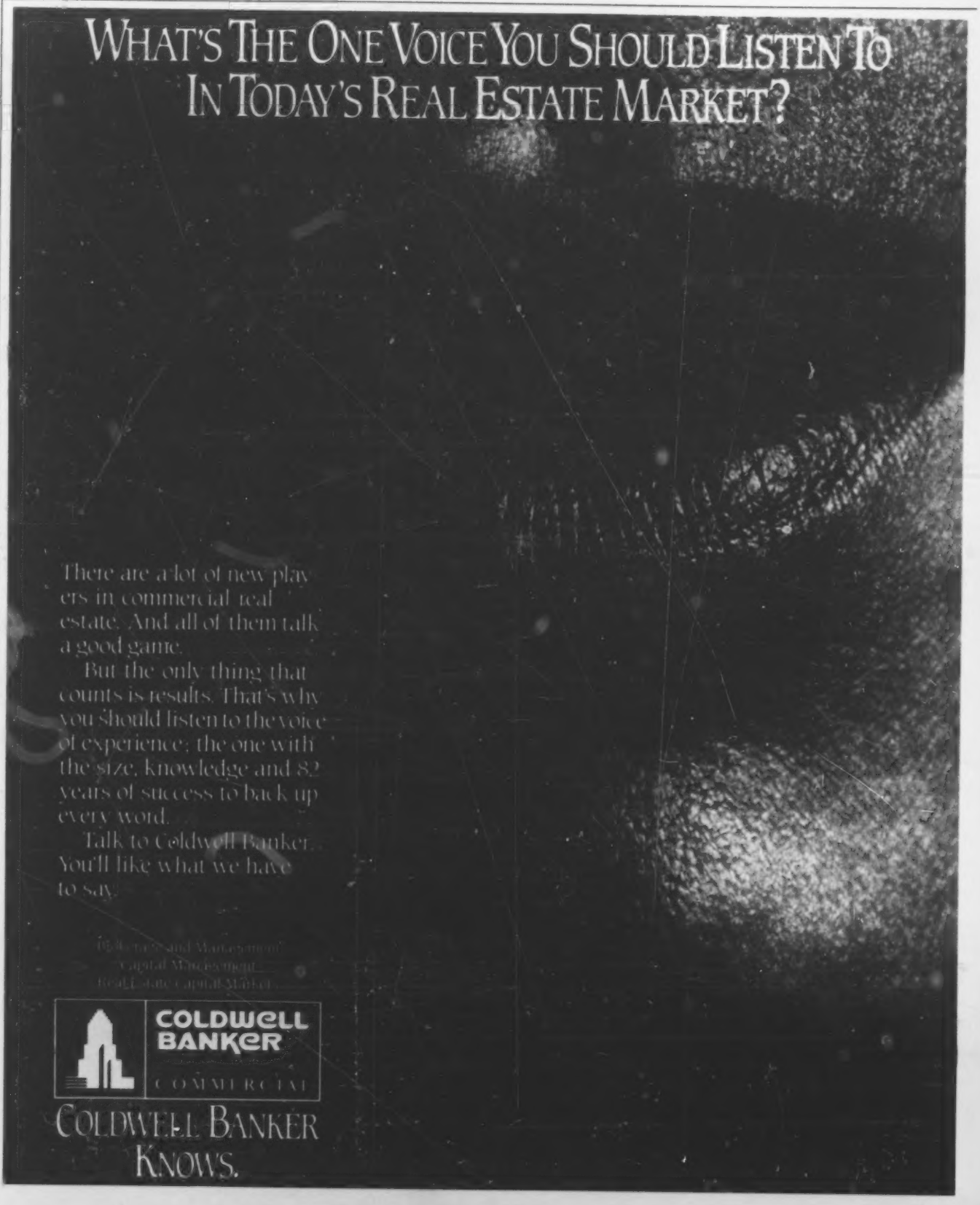
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Hybrid debt	$1,800 million
Mortgages	$228 million
Total real estate assets	$2,645 million
Equity	$617 million
Hybrid debt	$1,800 million
Mortgages	$228 million

As of June 30, the tax-exempt equity assets of Aldrich, Eastman & Waltch Inc. had a market value of $545 million.

The hybrid debt holdings had a market value of $1.8 billion. The market value of the mortgages was $228 million.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 11% industrial; 2% multifamily housing; 32% office/commercial; 37% retail; 17% development.

The total tax-exempt property portfolio is located 32% in the West; 18% Midwest; 34% East; 16% South.

Aldrich, Eastman & Waltch has management responsibility for five closed-end funds offered by State Street Bank with assets of $352 million at June 30. Aldrich, Eastman & Waltch is also the manager for State Street Bank's open-end Real Estate Fund VI.

Aldrich, Eastman & Waltch offers closed-end funds, advisory and discretionary separate accounts and specialized investment funds.

Investment clients include General Motors, Digital Equipment, Connecticut and Iowa.

Seven principals are in charge of making property investments. Robert J. Hannan, vice president, is client contact.

August-Am Cal Advisors Inc.

4730 Woodman Ave., Sherman Oaks, Calif. 91423; (818) 990-3250

Tax-exempt real estate assets	$465 million
Equity	$186 million
Mortgages	$279 million
Direct, separate accounts	
Equity	$186 million
Mortgages	$279 million
Total real estate assets	$871 million
Equity	$250 million
Mortgages	$621 million

As of June 30, the tax-exempt equity assets of August-Am Cal Advisors Inc. had a market value of $160 million. Contributions received but not invested were $26 million.

The market value of the mortgages was $240 million; contributions received but not invested were $35 million; contributions committed but not received were $4 million.

For tax-exempt assets, the mix by property type was 10% hotel/resort; 16% industrial; 30% multifamily housing; 24% office/commercial; 18% retail; senior housing 2%.

The total tax-exempt property portfolio is located 66% in the West; 10% Midwest; 4% East; 20% South.

August-Am Cal expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial, warehouse and shopping center properties.

The main area of concentration during the year will be acquisitions.

August-Am Cal offers direct separate accounts, development financing and open-end funds.

August-Am Cal offers the Building for America Fund and Am Cal Group Trust I. Both funds are new; no contributions had been received as of June 30.

The BAF fund will invest in apartment complexes; the AGT fund will make forward loan commitments on income-producing properties.

Investment clients include Hawaii Development Foundation, Southern Electrical, New Mexico PIPE Trades, Sheet Metal Workers of Southern California, Arizona and Nevada.

The parent company is August Financial Corp.

William Dawson, vice president; David Brown, vice president-acquisitions; and Catherine Duggan, senior vice president-mortgages, are in charge of making property investments. S.Q. DellaGrotta, executive vice president, is client contact.

PIPER real estate report in Dec. 12 issue of *Pensions & Investment Age*.

Balcor Institutional Realty Advisors Inc.

4849 Golf Road, Skokie, Ill. 60077; (312) 676-7778

Tax-exempt real estate assets	$1,852 million
Equity	$353 million
Hybrid debt	$1,499 million
Commingled or pooled funds	
Equity	$316 million
Hybrid debt	$1,462 million
Direct, separate accounts	
Equity	$37 million
Hybrid debt	$37 million
Total real estate assets	$7,000 million
Equity	$5,000 million
Hybrid debt	$2,000 million

As of June 30, the tax-exempt equity assets of Balcor Institutional Realty Advisors Inc. had a market value of $316 million. Contributions committed but not received were $37 million.

The hybrid debt holdings had a market value of $1.462 billion. Contributions committed but not received were $37 million.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 6% industrial; 60% multifamily housing; 15% office/commercial; 15% retail; 3% mobile homes.

The total tax-exempt property portfolio is located 12% in the West; 15% Midwest; 13% East; 60% South.

Balcor expects to be a net buyer in all regions.

The firm expects to be a net buyer of multifamily, retail, specialty, mobile home parks and hotel properties and a net seller of office properties.

The main area of concentration during the year will be on acquisitions.

Balcor offers closed-end funds and direct investment accounts.

The Balcor Institutional Apartment Fund is open for subscription. Contributions received, but not invested, for the limited partnership fund are $10 million. The fund makes all-cash equity investments in luxury garden apartment communities in major metropolitan markets.

The State of Connecticut is an investment client. Japanese clients include Misawa Homes and Orient Finance.

The parent company is The Balcor Co.

Richard Stern, senior vice president, is in charge of making property investments. Ronald Gold, senior vice president, is client contact.

The Boston Co. Real Estate Counsel Inc.

1 Boston Place, Boston, Mass. 02106; (617) 722-7102

Tax-exempt real estate assets	$2,390 million
Equity	$660 million
Hybrid debt	$1,730 million
Commingled or pooled funds	
Equity	$68 million
Hybrid debt	$75 million
Direct, separate accounts	
Equity	$592 million
Hybrid debt	$1,655 million
Total real estate assets	$2,390 million

As of June 30, the tax-exempt equity assets of The Boston Co. Real Estate Counsel Inc. had a market value of $660 million.

The hybrid debt holdings had a market value of $1.686 billion. Contributions received but not invested were $13 million; contributions committed but not received were $31 million.

For tax-exempt assets, the mix by property type was 7% industrial; 8% multifamily housing; 60% office/commercial; 16% retail; 3% research and development; and 6% mixed use.

The total tax-exempt property portfolio is located 28% in the West; 17% Midwest; 43% East; 12% South.

The Boston Co. expects to be a net buyer in all regions.

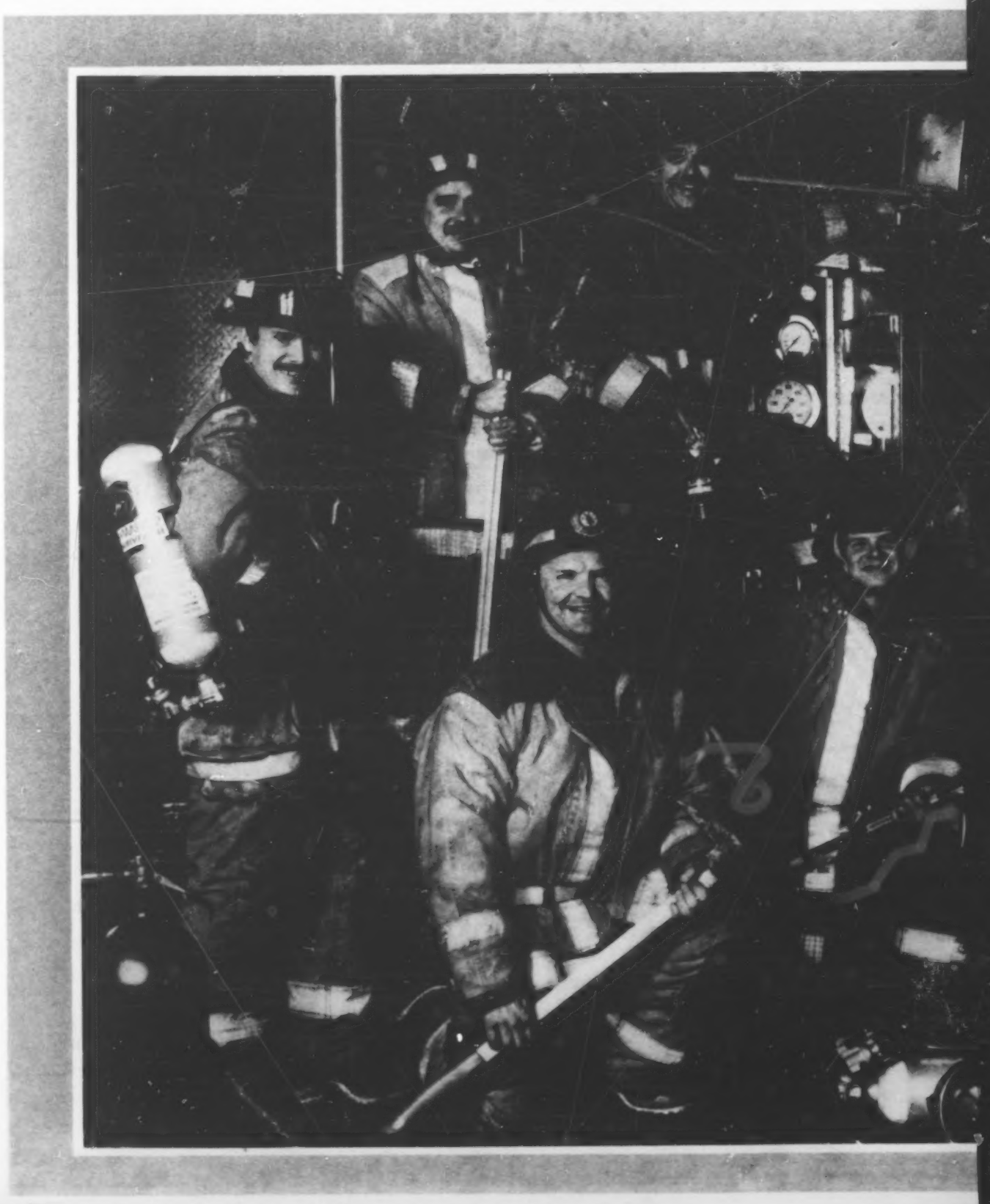
The firm expects to be a net buyer of industrial, apartment, office and retail properties.

The firm's main area of concentration during the year will be on acquisitions, particularly equity-oriented debt.

The Boston Co. Real Estate Counsel offers closed-end funds and separate accounts.

The firm offers the TBCREC Residential Fund I, a closed-end fund. Of the $75 million in contributions, $31 million is not invested. The fund is a group trust investing in apartments through participating mortgages and joint ventures.

Investment clients include Texas Teachers, General Motors, AT&T and



United Technologies.

The parent company is The Boston Co. Inc.

Mary L. Johnston, executive vice president, is in charge of making property investments. Robert A. Radloff, president, is client contact.

Alex. Brown Realty Advisors

2 N. Charles St., Baltimore, Md. 21201; (301) 783-3200

Tax-exempt real estate assets	$882 million
Equity	$40 million
Hybrid debt	$813 million
Mortgages	$29 million
Commingled or pooled funds	
Equity	$10 million
Direct, separate accounts	
Equity	$30 million
Hybrid debt	$813 million
Mortgages	$29 million
Total real estate assets	$1,284 million
Equity	$40 million
Hybrid debt	$1,215 million
Mortgages	$29 million

As of June 30, the tax-exempt equity assets of Alex. Brown Realty Advisors had a market value of $28.2 million. Contributions committed but not received were $11.5 million.

The hybrid debt holdings had a market value of $529.2 million. Contributions committed but not received were $283.7 million. The market value of the mortgages was $29.6 million.

For tax-exempt assets, the mix by property type was 16.1% hotel/resort, 3.1% industrial; 2.3% multifamily housing; 62.2% office/commercial; 14.2% retail, 2.1% other.

The total tax-exempt property portfolio is located 33.2% in the West; 11.1% Midwest; 11.7% East; 43% South; 1% Canada.

Alex. Brown expects to be a net buyer in the East and West.

The firm expects to be a net buyer of light industrial/warehouse, neighborhood retail and office properties.

Its main area of concentration during the year will be acquisitions.

Alex. Brown offers closed-end funds, separate accounts, real estate security placements and private placements.

The firm offers the Atlantic Coast Fund, a closed-end fund with a tentative closing date of Dec. 31, 1989. The firm had received $10 million in commitments as of June 30. The fund will acquire 100% equity positions in primarily existing, seasoned properties in the East. Diversification is by market and property type, with an emphasis on light industrial, warehouse, neighborhood retail and office properties.

The parent company is Alex. Brown & Sons.

Philip C. Iglehart and Robert H. Gidel, managing directors, are in charge of making property investments. Mahlon Apgar IV, director, is client contact.

Cabot, Cabot & Forbes Realty Advisors Inc.

60 State St., Boston, Mass. 02109; (617) 722-8200

Tax-exempt real estate assets	$500 million
Equity	$500 million
Direct, separate accounts	
Equity	$500 million
Total real estate assets	$500 million

As of June 30, the tax-exempt equity assets of Cabot, Cabot & Forbes Realty Advisors Inc. had a market value of $60 million. Contributions committed but not received were $440 million.

For tax-exempt assets, the mix by property type was 68% industrial and 32% office/commercial.

The total tax-exempt property portfolio is located 31% in the West; 37% Midwest; 32% East.

Cabot, Cabot & Forbes Realty expects to be a net buyer in all regions. The firm expects to be a net buyer of industrial and office properties.

The firm expects to spend $10.7 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

The firm offers separate accounts to tax-exempt clients.

Investment clients include BellSouth, IBM, Kodak and Shell.

The parent company is Cabot, Cabot & Forbes. Its subsidiaries are CC&F Asset Management Co. Inc. and Aberthaw Construction Co.

Robert E. Patterson, executive vice president, is in charge of making property investments. Robert M. Angland, executive vice president, is client contact.

Chesterton International

630 Fifth Ave., Suite 3170, New York, N.Y. 10111; (212) 765-1540

Tax-exempt real estate assets	$383 million
Equity	$288 million
Hybrid debt	$91 million
Mortgages	$4 million
Commingled or pooled funds	
Equity	$82 million
Direct, separate accounts	
Equity	$206 million
Hybrid debt	$91 million
Mortgages	$4 million
Total real estate assets	$383 million

As of June 30, the tax-exempt equity assets of Chesterton International had a market value of $191 million. Contributions received but not invested were $3 million; contributions committed but not received were $94 million.

The hybrid debt holdings had a market value of $29 million. Contributions committed but not received were $62 million. The market value of the mortgages was $4 million.

For tax-exempt assets, the mix by property type was 21% industrial; 51% office/commercial; 28% retail.

The total tax-exempt property portfolio is located 26% in the West; 14% Midwest; 37% East; 23% South.

Chesterton expects to be a net buyer in the West, Midwest and East and a net seller in the South.

The firm expects to be a net buyer of retail and industrial properties and a net seller of office properties.

Chesterton expects to spend $3.5 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

Chesterton offers direct separate accounts and investment trusts.

Investment clients include Deansbank Investments and CC Property Investments.

The parent company is Chesterton International (U.K.). Its subsidiaries are in Singapore, Australia and Hong Kong.

George R. Fryer Jr., chief investment officer, is in charge of making property investments. James J. Brinkerhoff, president, is client contact.

CIGNA Asset Advisers Inc.

Hartford, Conn. 06152; (203) 726-6000

Tax-exempt real estate assets	$1,728 million
Equity	$1,470 million
Hybrid debt	$258 million
Commingled or pooled funds	
Equity	$1,345 million
Direct, separate accounts	
Equity	$125 million
Hybrid debt	$258 million
Total real estate assets	$12,790 million
Equity	$2,613 million
Hybrid debt	$258 million
Mortgages	$9,919 million

As of June 30, the tax-exempt equity assets of CIGNA Asset Advisers Inc. had a market value of $1.256 billion. Contributions received but not invested were $116 million; contributions committed but not received were $98 million.

The hybrid debt holdings had a market value of $57 million. Contributions received but not invested were $1 million; contributions committed but not received were $200 million.

Of tax-exempt general account assets, $8 million was invested in mortgages.

For tax-exempt assets, the mix by property type was 8.6% hotel/resort; 2% industrial; 8.6% multifamily housing; 30.9% office/commercial; 23.1% retail; 21.6% research and development; 3.4% mixed use; and 1.8% land.

The total tax-exempt property portfolio is located 21.3% in the West; 18.3% Midwest; 10.1% East; 50.3% South.

CIGNA expects to be a net buyer in the West, East and South regions.

The firm expects to be a net buyer of retail and apartment properties and a net seller of offices.

CIGNA expects to spend $55 million on rehabilitation, renovation, ex-

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pansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be on the rehabilitation/asset management of existing properties.

CIGNA offers open-end and closed-end real estate accounts; limited partnership for public plans, foundations and endowments; direct individual account management; single properties.

Separate Account R is an open-end equity real estate separate account for qualified pension plans. The fund has $809.7 million in assets, of which $52 million is not invested. Another $17 million is committed, but not received. There are 425 participants. The fund invests via equity, construction loans and joint ventures in moderate-size, existing and to-be-built suburban offices, shopping centers, industrial properties, hotels and apartments. Leverage may be used to takeover existing mortgages.

Fund T is a closed-end limited partnership with $47.4 million in assets. Of that amount, $31.3 million has yet to be invested. Another $9 million is committed but not received. The fund invests in retail, industrial, R&D, apartment and office properties needing rehabilitation or other changes.

CERF II is a closed-end equity account with $19.2 million to be invested. The fund invests in retail, industrial, R&D, apartment and office properties needing rehabilitation or other changes.

Investment clients include New York State Common, United Technologies, United Methodist Church and Connecticut.

The parent company is CIGNA Corp. CIGNA Investments Inc. is a subsidiary.

David R. Johnson, senior vice president, is in charge of making property investments. William E. Chapman II, president, is client contact.

Citicorp Real Estate Investment Management

153 E. 53rd St., New York, N.Y. 10043; (212) 559-9332

Tax-exempt real estate assets	$628 million
Equity	$278 million
Hybrid debt	$34 million
Mortgages	$316 million
Commingled or pooled funds	
Equity	$130 million
Hybrid debt	$34 million
Mortgages	$274 million
Direct, separate accounts	
Equity	$148 million
Mortgages	$42 million
Total real estate assets	$773 million
Equity	$423 million
Hybrid debt	$34 million
Mortgages	$316 million

As of June 30, the tax-exempt equity assets of Citicorp Real Estate Investment Management had a market value of $149 million. Contributions received but not invested were $74 million; contributions committed but not received were $55 million.

The hybrid debt holdings had a market value of $34 million. The market value of the mortgages was $316 million.

For tax-exempt assets, the mix by property type was 2% hotel/resort; 5% industrial; 69% office/commercial; 24% retail.

The total tax-exempt property portfolio is located 51% in the West; 6% Midwest; 34% East; 9% South.

Citicorp expects to be a net buyer in the East, West and Midwest regions.

The firm expects to be a net buyer of office, retail and industrial properties.

The main area of concentration in the next year will be acquisitions.

Citicorp offers open-end and closed-end funds and separate accounts.

The Citibank Real Estate Equity Fund is an open-end fund with $313 million in total assets, of which about $64 million was in cash. The fund makes equity investments in properties that can be re-leased or redeveloped to add value. Joint venture partnerships are used.

The parent company is Citicorp. Its subsidiary is Citicorp Real Estate Inc.

Michael J. Vitale is in charge of making property investments. Andrew Lowe is client contact.

Coldwell Banker Capital Management Services

533 S. Fremont, Los Angeles, Calif. 90071; (213) 613-3597

Tax-exempt real estate assets	$968 million
Equity	$925 million
Hybrid debt	$43 million
Commingled or pooled funds	
Equity	$490 million
Hybrid debt	$43 million
Direct, separate accounts	
Equity	$435 million
Total real estate assets	$968 million

As of June 30, the tax-exempt equity assets of Coldwell Banker Capital Management Services had a market value of $725 million. Contributions committed but not received were $200 million.

The hybrid debt holdings had a market value of $43 million.

For tax-exempt assets, the mix by property type was 34.4% industrial; 38% office/commercial; 27.6% retail.

The total tax-exempt property portfolio is located 37% in the West; 20.7% Midwest; 25.6% East; 16.7% South.

Coldwell Banker expects to be a net buyer in all regions.

The firm expects to be a net buyer of retail, industrial and office properties.

Coldwell Banker expects to spend $500,000 on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be on acquisitions.

Coldwell Banker offers separate and direct accounts and closed-end funds.

Investment clients include AT&T, San Francisco City and County, Unisys and Honeywell.

Top 10 real estate managers ranked by tax-exempt assets in hybrid debt

	$ millions
Aldrich, Eastman & Waltch	1,800
Boston Co. Real Estate	1,730
Balcor Institutional	1,499
Aetna	1,130
F.I.A. Associates	1,012
J.P. Morgan Investment	967
Alex. Brown Realty	813
Lomas Advisors	755
Latimer & Buck	562
TCW Realty Advisors	453
L.J. Melody	453
TOTAL	11,174

The parent company is Coldwell Banker. Its subsidiaries are Homart, Coldwell Banker Residential Group and Coldwell Banker Commercial Group.

William "Cab" Grayson Jr., director of acquisitions, is in charge of making property investments. Bob Morris is client contact.

Copley Real Estate Advisors

399 Boylston St., Boston, Mass. 02116; (617) 578-1200

Tax-exempt real estate assets*	$8,698 million
Equity	$8,367 million
Commingled or pooled funds	
Equity	$5,217 million
Direct, separate accounts	
Equity	$3,481 million
Total real estate assets	$12,099 million
Equity	$12,099 million

*as of March 31, 1988

As of March 31, the tax-exempt equity assets of Copley Real Estate Advisors had a market value of $8.367 billion. Contributions received but not invested were $157 million; contributions committed but not received were $174 million.

The general account tax-exempt assets of the parent, The New England, total $2.04 billion.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 25% industrial; 40% office/commercial; 4% retail; 14% research and development; 7% residential; 9% land.

The total tax-exempt property portfolio is located 54% in the West; 4% Midwest; 23% East; 19% South.

Copley expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial, R&D and office properties.

The firm's main area of concentration during the year will be acquisitions.

Copley offers open-end and closed-end funds and separate accounts.

Copley offers the Developmental Properties Account, an open-end fund with $1.8 billion invested from 185 participants. The account has $100 million to invest and $123 million in commitments not received.

Copley Institutional Investors Fund, a closed-end fund with 12 participants, has $497 million invested, $57 million to invest and $49 million committed but not received.

Copley invests through partnerships primarily in industrial, R&D and office properties in planned parks. Geographic areas are limited; projects usually involve a local developer.

Kevin M. Mahony, managing director, is in charge of making property investments. John C. Phillips Jr., managing director, is client contact.

Corporate Property Investors

305 E. 47th St., New York, N.Y. 10017; (212) 421-8200

Tax-exempt real estate assets	$2,151 million
Equity	$2,151 million
Commingled or pooled funds	
Equity	$2,151 million
Total real estate assets	$3,679 million
Equity	$3,679 million

As of June 30, the tax-exempt equity assets of Corporate Property Investors had a market value of $2.151 billion.

For tax-exempt assets, the mix by property type was 5% industrial; 12% office/commercial; 83% retail.

The total tax-exempt property portfolio is located 17% in the West; 7% Midwest; 41% East; 35% South.

Corporate Property Investors expects to spend $35 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

Corporate Property Investors offers REIT and joint venture products.

Investment clients include AT&T, Exxon, New York State and Rockefeller University.

G. Martin Fell, senior vice president, is in charge of making property investments. Warren Hamer, director of investor relations, is client contact.

Eastdil Realty Inc.

40 W. 57th St., New York, N.Y. 10019; (212) 315-7200

Tax-exempt real estate assets	$765 million
Equity	$705 million
Hybrid debt	$27 million
Mortgages	$33 million
Direct, separate accounts	
Equity	$705 million
Hybrid debt	$27 million
Mortgages	$33 million
Total real estate assets	$1,090 million
Equity	$705 million
Hybrid debt	$27 million
Mortgages	$358 million

As of June 30, the tax-exempt equity assets of Eastdil Realty Inc. had a market value of $705 million.

The hybrid debt holdings had a market value of $27 million. The market value of the mortgages was $33 million.

For tax-exempt assets, the mix by property type was 6% industrial; 2% multifamily housing; 79% office/commercial; 13% retail.

The total tax-exempt property portfolio is located 28% in the West; 5% Midwest; 42% East; 25% South.

Eastdil expects to be a net buyer in the Midwest and East regions.

The firm expects to be a net buyer of industrial, retail and office properties.

Eastdil expects to spend $20 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

Eastdil offers direct separate accounts.

Investment clients include AT&T, Virginia Supplemental and Missouri.

Japanese clients include Nomura, Mitsui and Orient Leasing.

Eastdil's subsidiaries include Eastdil Advisers Inc.

Jonathan B. Weller, senior vice president, is in charge of making property investments. Robert T. Davis, executive vice president, is client contact.

Personnel moves — p. 27

Richard Ellis Inc.

527 Madison Ave., New York, N.Y. 10022; (212) 355-4810

Tax-exempt real estate assets	$2,381 million
Equity	$2,175 million
Hybrid debt	$206 million
Direct, separate accounts	
Equity	$2,175 million
Hybrid debt	$206 million
Total real estate assets	$5,067 million
Equity	$4,861 million
Hybrid debt	$206 million

As of June 30, the tax-exempt equity assets of Richard Ellis Inc. had a market value of $925 million. Contributions committed but not received were $1.25 billion.

The hybrid debt holdings had a market value of $156 million. Contributions committed but not received were $50 million.

For tax-exempt assets, the mix by property type was 1% industrial; 74% office/commercial; 25% retail.

The total tax-exempt property portfolio is located 34% in the West; 15% in the Midwest; 44% East; 7% South.

Ellis expects to be a buyer in all regions and a seller in the Midwest and East.

The firm expects to be a net buyer of office and retail properties.

Ellis expects to spend $70 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

Ellis offers direct, separate accounts.

Investment clients include New York State, Wisconsin, Barclays Bank and Hanson Trust.

Christopher D. Budden, president, is in charge of making property investments. David R. Hodes, senior vice president, is client contact.

Equitable Real Estate Investment Management

787 7th Ave., Area 46K, New York, N.Y., 10019; (212) 554-4312

Tax-exempt real estate assets	$8,318 million
Equity	$7,712 million
Hybrid debt	$169 million
Mortgages	$437 million
Commingled or pooled funds	
Equity	$5,065 million
Hybrid debt	$148 million
Mortgages	$111 million
Direct, separate accounts	
Equity	$2,647 million
Hybrid debt	$21 million
Mortgages	$326 million
Total real estate assets	$33,705 million
Equity	$22,683 million
Hybrid debt	$1,804 million
Mortgages	$9,218 million

As of June 30, the tax-exempt equity assets of Equitable Real Estate Management Inc. had a market value of $7.157 billion. Contributions received but not invested were $175 million; contributions committed but not received were $380 million.

The hybrid debt holdings had a market value of $169 million; the market value of the mortgages was $437 million.

Of tax-exempt general account assets, $4.231 billion was invested in equity real estate; $945 million in hybrid debt; $4.507 billion in mortgages.

For tax-exempt assets, the mix by property type was 6.2% hotel/resort; 13.5% industrial; 53.1% office/commercial; 27.1% retail; 0.1% land.

The total tax-exempt property portfolio is located 29.6% in the West; 18.7% Midwest; 30.4% East; 21.3% South.

Equitable expects to be a buyer and seller in all regions.

The firm expects to be a net buyer of shopping centers, industrial and office properties and a net seller of hotels.

Equitable expects to spend $298.1 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

Equitable offers open-end and closed-end funds, single client accounts and direct investment.

The Prime Property Fund, an open-end fund, has invested $3.131 billion. Contributions received but not invested are $176.6 million; contributions committed but not received, $181 million. There are 256 participants in the fund that does primarily equity investments

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in high-quality, income-producing properties. Existing, fully leased properties are emphasized; construction loans are also made.

The New Properties Fund, a closed-end developmental fund with six participants, has invested $41.2 million; $200,000 is received but not invested.

Asset Enhancement Fund I, a closed-end fund with 10 participants, has invested $38.7 million. Contributions received but not invested are $400,000; contributions committed but not received are $99.8 million. The fund acquires existing, well-located commercial properties. Value is created through expansion, refocusing or renovation.

Investment clients include Exxon, Westinghouse, California Public Employees and California Teachers.

Japanese clients include Nippon Life, Dai-ichi Mutual Life, Asahi Life and Meiji Mutual Life.

The parent company is Equitable Life Assurance Society of the United States. A subsidiary is Equitable Agri-Business Inc.

Tommy Clinton, executive vice president, is in charge of making property investments. Paul J. Delnoy, executive vice president, is client contact.

F.I.A. Associates

1601 Response Road, Suite 300, Sacramento, Calif. 95815; (916) 920-4051

Tax-exempt real estate assets	$2.340 million
Equity	$1.167 million
Hybrid debt	$1.012 million
Mortgages	$161 million
Commingled or pooled funds	
Equity	$99 million
Hybrid debt	$14 million
Direct, separate accounts	
Equity	$1.068 million
Hybrid debt	$998 million
Mortgages	$161 million
Total real estate assets	$2.340 million

As of June 30, the tax-exempt equity assets of F.I.A. Associates, a division of MeraBank, had a market value of $1.024 billion. Contributions committed but not received were $143 million.

The hybrid debt holdings had a market value of $691 million. Contributions committed but not received were $321 million. The market value of the mortgages was $161 million.

For tax-exempt assets, the mix by property type was 9% hotel/resort; 17% industrial; 5% multifamily housing; 49% office/commercial; 19% retail; 1% land.

The total tax-exempt property portfolio is located 45% in the West; 14% Midwest; 7% East; 34% South.

F.I.A. expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial, retail and multifamily housing properties.

F.I.A. expects to spend $6.8 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

Its main area of concentration during the year will be on the rehabilitation/asset management of existing properties.

F.I.A. offers separate accounts and closed-end funds.

F.I.A. Profile Fund I closed June 30, but is being held open for 90 days for four prospective participants. Contributions received and invested are $90 million from four participants. The group trust invests primarily in fully built and leased properties, forward commitments on pre-leased properties and convertible participating mortgages. Properties include offices, industrial, shopping centers, multifamily and hotels on a selective basis.

Investment clients include California Public Employees, Texas Teachers, Illinois Teachers and Utah.

The parent company is MeraBank.

Stephen A. Rosenthal, executive vice president, is in charge of making property investments. James L. Sublett, senior executive vice president, is client contact.

First Chicago Investment Advisors

3 First National Plaza, Chicago, Ill. 60670; (312) 732-2171

Tax-exempt real estate assets	$995 million
Equity	$983 million
Mortgages	$12 million
Commingled or pooled funds	
Equity	$917 million
Mortgages	$12 million
Direct, separate accounts	
Equity	$66 million
Total real estate assets	$1,039 million
Equity	$1,027 million
Mortgages	$12 million

As of June 30, the tax-exempt equity assets of First Chicago Investment Advisors had a market value of $883 million. Contributions received but not invested were $52 million; contributions committed but not received were $48 million.

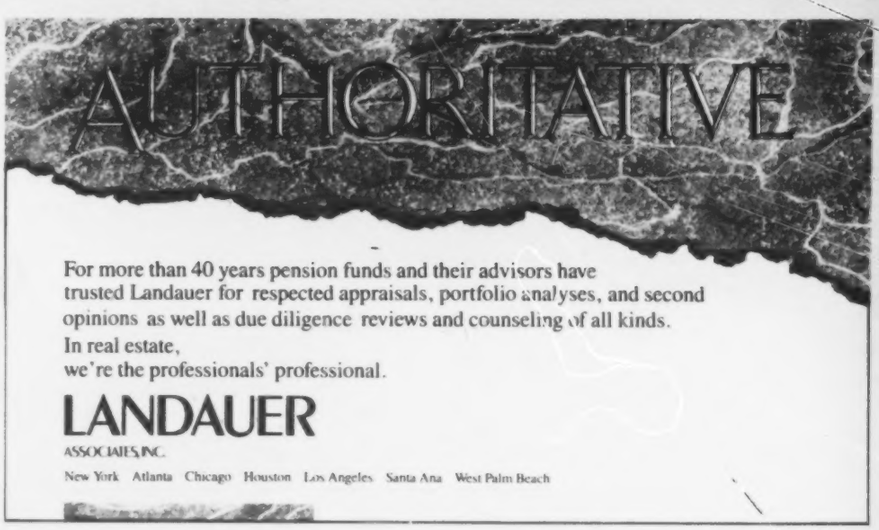
The market value of the mortgages was $12 million.

For tax-exempt assets, the mix by property type was 23% industrial; 21% multifamily housing; 32% office/commercial; 24% retail.

The total tax-exempt property portfolio is located 32% in the West; 17% Midwest; 31% East; 20% South.

First Chicago expects to be a buyer and seller in all regions.

The firm expects to be a buyer and



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IT'S
A SMALL
WORLD.
ISN'T IT?

Conventional wisdom says it's a small world, a global village.

Problem is that the global village is composed of real estate.

And real estate is no small matter.

Some is appreciating. Some not a good investment at all.

Some zoned one way. Some zoned another.

Some a steal. And some drop-dead expensive.

Some easy to live with. Or on. And some very complex to manage.

To get the complexities of real estate down to a manageable size, it helps to deal with an expert who has a whole world of experience, a consultant whose grasp of detail can keep the big picture in focus and the sea of detail out of your way.

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seller of adult congregate living facilities, apartments, retail, industrial and office properties.

First Chicago expects to spend $12 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be acquisitions.

First Chicago offers open-end and closed-end funds and direct ownership accounts.

Real Estate Fund F is an open-end group trust with $664 million in invested assets for 121 participants. The fund represents a core portfolio, purchasing office, industrial, retail and residential properties that are usually existing and fully leased.

Living Environments for an Aging America Fund is a closed-end group trust with $105 million committed, of which $48 million is not yet invested. The trust does equity ownership and debt participation in congregate care facilities, some of which are developmental.

Investment clients include General Motors, Florida, Illinois Municipal and Shell.

The parent company is First Chicago Corp.

David A. Schwartz, vice president and acquisitions unit head, is in charge of making property investments. Janet Mabee Fawcett, assistant vice president, is client contact.

First Interstate Mortgage Co. of Illinois

100 S. Wacker Drive, Chicago, Ill. 60606; (312) 845-8500

Tax-exempt real estate assets	$585 million
Equity	$35 million
Hybrid debt	$50 million
Mortgages	$500 million
Direct, separate accounts	
Equity	$35 million
Hybrid debt	$50 million
Mortgages	$500 million
Total real estate assets	$585 million

As of June 30, the tax-exempt equity assets of First Interstate Mortgage Co. of Illinois had a market value of $35 million.

The hybrid debt holdings had a market value of $50 million. The market value of the mortgages was $500 million.

For tax-exempt assets, the mix by property type was 20% industrial; 10% multifamily housing; 40% office/commercial; 30% retail.

The total tax-exempt property portfolio is located 10% in the West; 65% Midwest; 10% East; 15% South.

First Interstate Mortgage expects to be a buyer and seller in all regions.

The firm expects to be a buyer and seller of retail, office, industrial, multifamily and hotel properties.

The main area of concentration during the year will be acquisitions.

First Interstate Mortgage offers direct, separate accounts.

The parent company is First Interstate Bancorp.

J. Christopher Clifford, associate director-equity investment and financing, is in charge of making property investments and is client contact.

First Wachovia Corp.

301 N. Main St., Winston-Salem, N.C. 27150; (919) 770-5900

Tax-exempt real estate assets	$708 million
Equity	$602 million
Hybrid debt	$39 million
Mortgages	$67 million
Commingled or pooled funds	
Equity	$309 million
Hybrid debt	$39 million
Mortgages	$67 million
Direct, separate accounts	
Equity	$293 million
Total real estate assets	$708 million

As of June 30, the tax-exempt equity assets of First Wachovia Corp. had a market value of $582 million. Contributions received but not invested were $20 million.

The hybrid debt holdings had a market value of $39 million. The market value of the mortgages was $67 million.

For tax-exempt assets, the mix by property type was 60% industrial; 3.7% office/commercial; 36.3% land.

The total tax-exempt property portfolio is located 44.3% in the West; 24.1% Midwest; 2.5% East; 29.1% South.

First Wachovia expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial properties.

First Wachovia expects to spend $15 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

First Wachovia offers an open-end fund and separate accounts.

The DTF Real Estate Fund has invested $5 million from 242 institutions. The fund's investment strategy involves acquisition of geographically diversified, quality, multiuse business parks.

Investment clients include RJR Nabisco, Piedmont Aviation and AT&T.

Robert Smedley, senior vice president, is in charge of making property investments. Thomas McAllister, vice president, is client contact.

John Hancock Properties

2 Copley Place, Suite 200, Boston, Mass. 02117; (617) 572-3811

Tax-exempt real estate assets	$570 million
Equity	$570 million
Commingled or pooled funds	
Equity	$570 million
Total real estate assets	$2,139 million
Equity	$2,139 million

As of June 30, the tax-exempt equity assets of John Hancock Properties Inc. had a market value of $570 million.

Of tax-exempt general account assets, $33 million was invested in equity real estate.

For tax-exempt assets, the mix by property type was 3% hotel/resort; 15% industrial; 32% multifamily housing; 30% office/commercial; 6% retail; 14% office/showroom/research and development.

The total tax-exempt property portfolio is located 24% in the West; 28% Midwest; 31% East; 17% South.

Hancock Properties expects to be a buyer in the West, East and Midwest regions and a seller in the Midwest and South regions.

The firm expects to be a net buyer of industrial, R&D, retail and apartment properties and a net seller of hotels.

Hancock Properties expects to spend $7.1 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be disposition.

Hancock Properties offers open-end and closed-end funds and direct, separate accounts.

The firm offers the Equity Real Estate open-end separate account fund with $458.5 million in contributions received and invested.

The parent company is John Hancock Financial Services.

John Hancock Realty Services is a subsidiary.

James H. Patterson II is in charge of making property investments. John Kemble, vice president-investor relations, is client contact.

Heitman Advisory Corp.

180 N. LaSalle St., Chicago, Ill. 60601; (312) 855-5700

Tax-exempt real estate assets	$4,881 million
Equity	$4,881 million
Commingled or pooled funds	
Equity	$884 million
Direct, separate accounts	
Equity	$3,997 million
Total real estate assets	$5,153 million
Equity	$5,153 million

As of June 30, the tax-exempt equity assets of Heitman Advisory Corp. had a market value of $4.093 billion. Contributions received but not invested were $88 million; contributions committed but not received were $700 million.

For tax-exempt assets, the mix by property type was 11% industrial; 45% office/commercial; 26% retail; 18% mixed use.

The total tax-exempt property portfolio is located 23% in the West; 45% Midwest; 24% East; 8% South.

The firm expects to be a net buyer of retail, office/commercial, industrial and mixed-use properties.

Top 10 real estate managers ranked by tax-exempt assets in real estate equity

	$ millions
Copley Real Estate*	8,696
Equitable Real Estate	7,712
JMB Institutional	6,800
Heitman Advisory	4,881
Prudential Realty	4,740
Aetna	3,505
RREEF	3,072
LaSalle Advisors	2,218
Richard Ellis	2,175
Corporate Property Investors	2,151
TOTAL	45,950

* Data as of March 31, 1988

Heitman offers closed-end funds and separate accounts.

Heitman Real Estate Fund III has invested $170 million; $88 million is received and not invested and $26.4 million is committed but not received. The fund operates a geographically diversified portfolio of shopping centers, office buildings and industrial parks.

Real Estate Fund IV is open for subscription. Twelve clients have committed $100 million. The fund will invest in the same manner as Fund III.

Investment clients include AT&T, Southwestern Bell, Alaska Permanent Fund and British Telecommunications.

The parent company is Heitman Financial Ltd. Its subsidiaries are Heitman Financial Services Ltd. and Heitman Properties Ltd.

Norman Perlmutter, chairman of Heitman Financial Ltd., is in charge of making property investments. David Glickman, president of Heitman Advisory, is client contact.

JMB Institutional Realty

875 N. Michigan Ave., Suite 3960, Chicago, Ill. 60611; (312) 915-1900

Tax-exempt real estate assets	$6,800 million
Equity	$6,800 million
Commingled or pooled funds	
Equity	$6,510 million
Direct, separate accounts	
Equity	$290 million
Total real estate assets	$21,500 million
Equity	$21,500 million

As of June 30, the tax-exempt equity assets of JMB Institutional Realty Corp. had a market value of $6.373 billion. Contributions received but not invested were $340 million; contributions committed but not received were $87 million.

For tax-exempt assets, the mix by property type was 5% multifamily housing; 48% office/commercial; 47% retail.

The total tax-exempt property portfolio is located 23% in the West; 26% Midwest; 32% East; 19% South.

JMB expects to be a net buyer in all regions. The firm expects to be a net buyer of office, retail, residential and industrial properties.

JMB expects to spend $100 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

JMB offers closed-end commingled funds and separate accounts.

JMB's Group Trust V and Endowment and Foundation Realty Ltd.-JMB IV are still open for subscription. Both funds will primarily make equity investments in newer office, retail and industrial properties that are fully constructed and leased.

JMB Group Trust IV has $443 million invested, $103 million in contributions received but not invested and $71 million committed but not yet received; Endowment and Foundation Realty Ltd.-JMB III has $107 million in investments and $54 million to invest; JMB Institutional Apartment Partnership I has $90 million in investments, $112 million to invest and $50 million committed but not yet received. The fund makes equity investments in suburban garden apartments and high-rise urban buildings with 250 to 1,000 units.

Investment clients include Pennsylvania State Employes, Ameritech, Kamehameha Schools/Bishop Estate and Connecticut.

The firm's affiliate is JMB Realty Corp.

Jerome J. Claeys III, chairman, is in charge of making property investments. John S. Lillard, president, is client contact.

Jones Lang Wootton Realty Advisors

101 E. 52nd St., New York, N.Y. 10022; (212) 836-9501

Tax-exempt real estate assets	$1,200 million
Equity	$800 million
Hybrid debt	$400 million
Direct, separate accounts	
Equity	$800 million
Hybrid debt	$400 million
Total real estate assets	$1,200 million

As of June 30, the tax-exempt equity assets of Jones Lang Wootton Realty Advisors had a market value of $600 million. Contributions committed but not received were $200 million.

The hybrid debt holdings had a market value of $200 million. Contributions committed but not received were $200 million.

For tax-exempt assets, the mix by property type was 20% resort/hotel; 6% industrial; 4% multifamily housing; 25% office/commercial; 25% retail; 20% mixed use.

The total tax-exempt property portfolio is located 20% in the West; 15% Midwest; 45% East; 20% South.

Jones Lang Wootton expects to be a net buyer in all regions. The firm expects to be a net buyer of industrial, retail, multifamily and office property types.

The firm expects to spend $100 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be rehabilitation and asset management of existing properties.

Jones Lang Wootton offers separate accounts.

Investment clients include Pacific Telesis, U S WEST, U.S. Steel and Illinois Teachers.

Steve Furnary, Charlie Grossman, Frank Sullivan and John Weisz, managing directors, are in charge of making property investments. Mr. Weisz is client contact.

Karsten Realty Advisors

12121 Wilshire Blvd., Los Angeles, Calif. 90025; (213) 826-0035

Tax-exempt real estate assets	$565 million
Equity	$468 million
Hybrid debt	$6 million
Mortgages	$91 million
Commingled or pooled funds	
Equity	$52 million
Hybrid debt	$6 million
Direct, separate accounts	
Equity	$416 million
Mortgages	$91 million
Total real estate assets	$767 million
Equity	$670 million
Hybrid debt	$6 million
Mortgages	$91 million

As of June 30, the tax-exempt equity assets of Karsten Realty Advisors had a market value of $468 million.

The hybrid debt holdings had a market value of $6 million. The market value of the mortgages was $91 million.

For tax-exempt assets, the mix by property type was 14% hotel/resort; 10% industrial; 2% multifamily housing; 53% office/commercial; 17% retail; 4% other.

The total tax-exempt property portfolio is located 72% in the West; 2% Midwest; 26% South.

Karsten Realty Advisors expects to be a net buyer in the West and a net seller in the South and Midwest.

The firm expects to be a net buyer of retail, industrial and office properties.

Karsten Realty Advisors expects to spend $4.7 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

Karsten Realty Advisors offers closed-end funds, separate accounts and workouts.

Karsten Realty Advisors' Real Estate Equity Fund is open; the fund's $14.2 million in gross assets from nine participants are invested. The group trust acquires office, industrial and retail properties in geographically diverse areas with growth potential and stable economies.

Investment clients include AT&T, Nevada, LTV and Ohio Teachers.

The parent company is First Interstate Bancorp.

Hugh G. Hilton, principal and director of acquisitions, is in charge of making property investments. A. Redmond Doms Jr., managing principal, is client contact.

Kennedy Associates Real Estate Counsel Inc.

2400 Financial Center, Seattle, Wash. 98161; (206) 623-4739

Tax-exempt real estate assets	$796 million
Equity	$486 million
Hybrid debt	$291 million
Mortgages	$19 million
Commingled or pooled funds	
Equity	$324 million
Hybrid debt	$159 million
Direct, separate accounts	
Equity	$162 million
Hybrid debt	$132 million
Mortgages	$19 million
Total real estate assets	$796 million

As of June 30, the tax-exempt equity assets of Kennedy Associates Real Estate Counsel Inc. had a market value of $486 million.

The hybrid debt holdings had a market value of $291 million. The market value of the mortgages was $19 million.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 10% industrial; 55% office/commercial; 3% retail; 30% business parks; 1% mixed use.

The total tax-exempt property portfolio is located 38% in the West; 41% Midwest; 15% East; 6% South.

The firm's main area of concentration during the year will be acquisitions.

Kennedy Real Estate Counsel offers open-end funds and separate accounts.

The firm's Multi-Employer Property Trust is an open-end fund with invested contributions of $374 million from 104 participants. The fund invests in 100% union-built construction projects.

Investment clients include the Alaska Permanent Fund and Boeing.

R.L. Wieneke, senior vice president-acquisitions, and R. Hass, Bennett Williams and Jon Hass, all vice presidents-acquisitions, are in charge of making property investments. Jim C. Snyder, president, is client contact.

LaSalle Advisors Ltd.

11 S. LaSalle St., Chicago, Ill. 60603; (312) 782-5800

Tax-exempt real estate assets	$2,216 million
Equity	$2,216 million
Commingled or pooled funds	
Equity	$1,900 million
Direct, separate accounts	
Equity	$316 million
Total real estate assets	$2,216 million

As of June 30, the tax-exempt equity assets of LaSalle Advisors Ltd. had a market value of $1.7 billion. Contributions committed but not received were $516 million.

For tax-exempt assets, the mix by property type was 6% industrial; 72% office/commercial; 22% retail.

The total tax-exempt property portfolio is located 16.4% in the West; 32% Midwest; 29.7% East; 21.9% South.

LaSalle Advisors expects to be a net buyer of office, retail and industrial properties.

The firm's main area of concentration during the year will be acquisitions.

LaSalle Advisors offers closed-end commingled funds and separate account management.

LaSalle Advisors offers LaSalle Fund IV, a closed-end commingled fund that will close by year-end 1988 or early 1989. The group trust will be from $300 million to $500 million; it has received commitments of $100 million. The fund will acquire large, high-quality offices, shopping centers and industrial parks to which value can be added through property management.

LaSalle Fund II has $47 million of its $290 million to be invested; LaSalle Fund III has $210 million of its $413 million to be invested.

Investment clients include Illinois Municipal, Pacific Telesis, Bell Atlantic and Public Service Electric & Gas.

Kenneth M. Campia, managing director, is in charge of making property investments. Christopher J. Burke, vice president, is client contact.

Latimer & Buck Inc.

121 S. Broad St., Philadelphia, Pa. 19107; (215) 985-3900

Tax-exempt real estate assets	$1.213 million
Hybrid debt	$562 million
Mortgages	$651 million
Total real estate assets	$1.213 million

As of June 30, the tax-exempt hybrid debt holdings of Latimer & Buck Inc. had a market value of $542 million. Contributions committed but not received were $20 million. The market value of the mortgages was $627 million. Contributions committed but not received were $24 million.

For tax-exempt assets, the mix by property type was 3% hotel/resort; 8% industrial; 17% multifamily housing; 42% office/commercial; 5% retail; 25% residential/single family.

The total tax-exempt property portfolio was located 3% in the West; 10% Midwest; 72% East; 15% South.

The firm's main area of concentration during the year will be acquisitions.

Latimer & Buck offers direct accounts.

Investment clients include Pennsylvania Public School Employees and Pennsylvania State Employees.

The parent company is Fidelity Bank.

Richard Humphreys is in charge of making property investments. Douglas Callantine is client contact.

Lehndorff & Babson Real Estate Counsel

2501 Cedar Springs, Dallas, Texas 75201; (214) 855-5800

Tax-exempt real estate assets	$1.253 million
Equity	$1.253 million
Commingled or pooled funds	
Equity	$190 million
Direct, separate accounts	
Equity	$1.063 million
Total real estate assets	$2.400 million
Equity	$2.400 million

As of June 30, the tax-exempt equity assets of Lehndorff & Babson Real Estate Counsel had a market value of $1.05 billion. Contributions received but not invested were $10 million; contributions committed but not received were $193 million.

For tax-exempt assets, the mix by property type was 4% industrial; 56% office/commercial; 40% retail.

The total tax-exempt property portfolio is located 28% in the West; 10% Midwest; 32% East; 30% South.

Lehndorff & Babson expects to be a net buyer in the West and East regions.

The firm expects to be a net buyer of retail, office and industrial type properties.

The main area of concentration during the year will be acquisitions.

Lehndorff & Babson offers closed-end funds and direct separate accounts.

Lehndorff & Babson Property Fund III is open for subscription. The fund invests in scarce office or shopping center properties that are built and leased and offer the opportunity for enhancement.

Lehndorff & Babson Endowment, Foundation and Institutional Fund Ltd. is open for subscription. The fund invests in income-producing properties that are economically and geographically diversified.

Investment clients include Ameritech, California State Teachers, Kellogg and United Technologies.

M. Thomas Lardner, general manager and chief investment officer, is in charge of making property investments. James S. White, executive vice president, is client contact.

PROPERTY's up and comer profiled: p. P12.

Lomas Advisors

2001 Bryan Tower, Suite 3300, Dallas, Texas 75201; (214) 746-8296

Tax-exempt real estate assets	$925 million
Hybrid debt	$755 million
Mortgages	$170 million
Commingled or pooled funds	
Hybrid debt	$40 million
Mortgages	$6 million
Direct, separate accounts	
Hybrid debt	$715 million
Mortgages	$164 million
Total real estate assets	$925 million

As of June 30, the tax-exempt hybrid debt holdings of Lomas Advisors had a market value of $336 million. Contributions committed but not received were $419 million. The market value of the mortgages was $170 million.

For tax-exempt assets, the mix by property type was 13% industrial; 14% multifamily housing; 66% office/commercial; 7% retail.

The total tax-exempt property portfolio is located 12% in the West; 14% Midwest; 13% East; 61% South.

Lomas Advisors expects to be a net buyer in the East and West regions.

The firm expects to be a net buyer of apartments.

The firm's main area of concentration during the year will be acquisitions.

Lomas Advisors offers closed-end funds and separate account management.

Lomas & Nettleton Institutional Mortgage Fund II, a closed-end, 10 year limited partnership, has $23.2 million in assets and contributions committed but not received of $5.2 million. The fund invests in the development of office, retail and industrial projects through participating mortgages.

Investment clients include the Texas Teachers and the PRIM Board.

The parent company is Lomas Financial Corp. Its subsidiaries are Lomas Management, Lomas Mortgage Corp. and L&N Housing Corp.

Les Meicher, senior vice president, is in charge of making property investments. Berry Hamilton, vice president, is client contact.

Personnel moves — p. P27.

McMahan Real Estate Estate Advisors Inc.

201 California St., Suite 400, San Francisco, Calif. 94111; (415) 433-7770

Tax-exempt real estate assets	$438 million
Equity	$329 million
Hybrid debt	$109 million
Commingled or pooled funds	
Equity	$25 million
Hybrid debt	$5 million
Direct, separate accounts	
Equity	$304 million
Hybrid debt	$104 million
Total real estate assets	$556 million
Equity	$417 million
Hybrid debt	$139 million

As of June 30, the tax-exempt equity assets of McMahan Real Estate Advisors Inc. had a market value of $205.1 million. Contributions committed but not received were $124 million.

The hybrid debt holdings had a market value of $26.3 million. Contributions committed but not received were $83.3 million.

For tax-exempt assets, the mix by property type was 10.5% industrial; 46.2% office/commercial; 43.3% retail.

The total tax-exempt property portfolio is located 91.4% in the West and 8.6% in the South.

McMahan expects to be a net buyer in the West.

The firm expects to be a net buyer of industrial, retail and office properties.

McMahan expects to spend less than $1 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be on acquisition.

The company offers separate accounts.

Investment clients include NYNEX, Southwestern Bell, Contra Costa County and Ventura County.

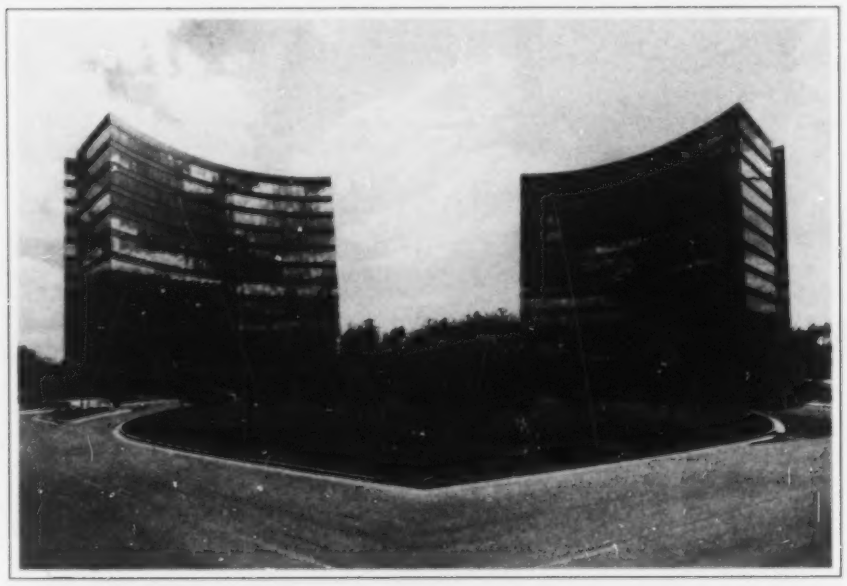
The parent company is McMahan Financial Services Inc. Other subsidiaries are McMahan Property Management Inc. and McMahan Real Estate Services Inc.

Thomas C. Clark, executive vice

LaSalle Advisors Limited

Real Estate Investment Advisor to Qualified Tax-exempt Institutions

Over $2,500,000,000 Under Management



LaSalle Advisors Limited purchased this premier office building complex on behalf of one of its closed-end group trusts.

LA SALLE ADVISORS

Limited

Real Estate Advisory Services

Chicago, Illinois 60603

A Subsidiary of LaSalle Partners Limited

president, is in charge of making property investments. Frank C. Harding Jr. and Jean C. Hurley, vice presidents, are client contacts.

McMorgan & Co.

201 Spear St., Suite 1700, San Francisco, Calif. 94105; (415) 777-9300

Tax-exempt real estate assets	$1,300 million
Equity	$400 million
Hybrid debt	$100 million
Mortgages	$800 million
Direct, separate accounts	
Equity	$400 million
Hybrid debt	$100 million
Mortgages	$800 million
Total real estate assets	$1,300 million

As of June 30, the tax-exempt equity assets of McMorgan & Co. had a market value of $400 million.

The hybrid debt holdings had a market value of $100 million and mortgages, $800 million.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 30% industrial; 9% multifamily housing; 30% office/commercial; 30% retail.

The total tax-exempt property portfolio is located in the West.

McMorgan expects to be a net buyer in all regions. The firm expects to be a net buyer of retail, industrial and office properties.

McMorgan expects to spend $10 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

The firm offers direct, separate accounts.

Michael T. Fry, executive vice president, is in charge of making property investments and is the client contact.

Mellon Real Estate Investment Management

551 Madison Ave., New York, N.Y. 10022; (212) 702-4040

Tax-exempt real estate assets	$1,220 million
Equity	$586 million
Hybrid debt	$385 million
Mortgages	$249 million
Direct, separate accounts	
Equity	$586 million
Hybrid debt	$385 million
Mortgages	$249 million
Total real estate assets	$1,220 million

As of June 30, the tax-exempt equity assets of Mellon Real Estate Investment Management Corp. had a market value of $500 million. Contributions committed but not received were $86 million.

The hybrid debt holdings had a market value of $370 million. Contributions committed but not received were $15 million. The market value of the mortgages was $230 million. Contributions committed but not received were $19 million.

For tax-exempt assets, the mix by property type was 5% hotel/resort; 13% industrial; 5% multifamily housing; 60% office/commercial; 15% retail; 2% land.

The total tax-exempt property portfolio is located 23% in the West; 37% Midwest; 23% East; 17% South.

Mellon expects to be a net buyer in the East region.

The firm expects to be a net buyer of industrial, retail and office properties.

Mellon expects to spend $5 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

Mellon Real Estate offers separate accounts.

Investment clients include Colorado Fire and Police, Westinghouse, Borg-Warner and Joint Municipal Employees.

The parent company is Mellon Bank Corp.

Arlen Dahlquist, senior vice president; Jeffrey Shea and Thomas Ryan, vice presidents; and David Pierce, investment manager, are in charge of making property investments. Karin E. Shewer, senior vice president, is client contact.

PIPER real estate report: *P&I Age* Dec. 12.

L.J. Melody & Co.

5847 San Felipe, Suite 4400, Houston, Texas 77057; (713) 787-1900

Tax-exempt real estate assets	$838 million
Hybrid debt	$453 million
Mortgages	$385 million
Direct, separate accounts	
Hybrid debt	$453 million
Mortgages	$385 million
Total real estate assets	$1,992 million
Hybrid debt	$665 million
Mortgages	$1,327 million

As of June 30, the tax-exempt hybrid debt assets of L.J. Melody & Company had a market value of $299 million. Contributions received but not invested were $154 million. The market value of the mortgages was $385 million.

For tax-exempt assets, the mix by property type was 5% multifamily housing; 63.8% office/commercial; 31.2% retail.

The total tax-exempt property portfolio is located 17.4% in the West; 3.6% East; 79% South.

L.J. Melody expects to be a net buyer in all regions.

The firm expects to be a net buyer of retail, multifamily, industrial and office properties.

The firm's main area of concentration during the year will be acquisitions.

L.J. Melody offers direct accounts and closed-end funds.

L.J. Melody offers Melody Fund I, a $125 million closed-end apartment fund presently open for subscriptions; it has $40 million in commitments. The fund, for public pension plans, invests in completed apartment properties nationwide. Investments in local markets will be through limited partnerships with national and regional development firms.

L.J. Melody & Co. of California is an affiliate.

Investment decisions are made by regional executives. Robert D. Barkley, vice president, is client contact.

Metropolitan Life Insurance

1 Madison Ave., New York, N.Y. 10010; (212) 578-6906

Tax-exempt real estate assets	$7774 million
Equity	$7714 million
Mortgages	$60 million
Commingled or pooled funds	
Equity	$588 million
Mortgages	$60 million
Direct, separate accounts	
Equity	$126 million
Total real estate assets	$23,920 million
Equity	$9,364 million
Mortgages	$14,556 million

As of June 30, the tax-exempt equity assets of Metropolitan Life Insurance Co. had a market value of $579 million. Contributions received but not invested were $65 million; contributions committed but not received were $70 million.

The market value of the mortgages was $60 million.

For tax-exempt assets, the mix by property type was 3% hotel/resort; 26% industrial; 54% office/commercial; 16% retail; 1% land.

The total tax-exempt property portfolio is located 35% in the West; 17% Midwest; 22% East; 26% South.

The firm expects to be a buyer of industrial, office, retail and multifamily properties and a seller of office and industrial properties.

Metropolitan Life plans to spend $40 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be on rehabilitation and asset management of existing properties.

Metropolitan Life offers open-end and closed-end funds and direct, separate accounts.

Metropolitan Life's Closed-End Series III, with a target of $200 million, had $35 million committed but not received from two clients as of March 31. The equity fund will acquire a mix of office, retail, R&D, light industrial, warehouse and apartment properties in a geographic balance.

The Tower Fund, an open-end fund, had $217 million from 49 participants as of March 31. The fund invests in wholly owned office, R&D/industrial and retail properties acquired with

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cash, although leverage may be used. The properties are concentrated in the South and East.

Account RE Fund, an open-end fund, had $236 million in assets from 32 participants as of March 31. The fund participates in equity and joint venture investments in Metropolitan's general account. The emphasis is on existing and leased R&D/industrial, regional shopping centers and office buildings.

Investment clients include Hawaii, United Mine Workers, IT&T and the Girl Scouts of America.

Dai-ichi Seimei America Corp. is a Japanese client.

Bill Ripberger, vice president, is in charge of making property investments. Bruce Kosakowski, assistant vice president, is client contact.

MIG Realty Advisors Inc.

1645 Palm Beach Lakes Blvd., West Palm Beach, Fla. 33401; (407) 686-1800

Tax-exempt real estate assets	$705 million
Equity	$369 million
Hybrid debt	$224 million
Mortgages	$112 million
Commingled or pooled funds	
Equity	$369 million
Direct, separate accounts	
Hybrid debt	$224 million
Mortgages	$112 million
Total real estate assets	$705 million

As of June 30, the tax-exempt equity assets of MIG Realty Advisors Inc. had a market value of $299 million. Contributions received but not invested were $22 million; contributions committed but not received were $48 million.

The hybrid debt holdings had a market value of $157 million. Contributions committed but not received were $67 million. The market value of the mortgages was $61 million. Contributions committed but not received were $51 million.

For tax-exempt assets, the mix by property type was 1% hotel/resort; 30% industrial; 23% multifamily housing; 31% office/commercial; 14% retail; 1% personal care.

The total tax-exempt property portfolio is located 36% in the West; 17% Midwest; 14% East; 33% South.

MIG expects to be a buyer in the East, South and West regions and a seller in the East and South regions.

The firm expects to be a buyer of retail, industrial, multifamily and office/commercial properties and a seller of retail and industrial.

The firm's main area of concentration during the year will be rehabilitation/asset management of existing properties.

MIG offers direct investment accounts and closed-end funds.

MIG offers four closed-end funds. Mortgage Investors Fund I has $4.3 million remaining to invest of the $22.5 million committed. Mortgage Investors Fund II still has $13 million to invest of $65 million committed. Mortgage Investors Self Storage Fund I has $3.1 million left to invest of $15.5 million committed.

The Mortgage Investors Group Trust III is open to subscriptions; the fund has $60 million committed of which $12.5 million is invested.

Investment clients include the Detroit General Retirement; Detroit Policemen and Firemen; Oakland County Employees and Southgate Policemen and Firemen.

Larry E. Wright, executive vice president, is in charge of making property investments. Edwin B. Wayman, president, is client contact.

J.P. Morgan Investment Management Inc.

522 Fifth Ave., New York, N.Y. 10036; (212) 837-1242

Tax-exempt real estate assets	$1,344 million
Equity	$377 million
Hybrid debt	$967 million
Commingled or pooled funds	
Equity	$285 million
Hybrid debt	$834 million
Direct, separate accounts	
Equity	$92 million
Hybrid debt	$133 million
Total real estate assets	$1,475 million
Equity	$404 million
Hybrid debt	$1,071 million

As of June 30, the tax-exempt equity assets of J.P. Morgan Investment Management Inc. had a market value of $95 million. Contributions received but not invested were $201 million; contributions committed but not received were $81 million.

The hybrid debt holdings had a market value of $849 million. Contributions received but not invested were $111 million; contributions committed but not received were $7 million.

For tax-exempt assets, the mix by property type was 2% hotel/resort; 15% industrial; 45% office/commercial; 38% retail.

The total tax-exempt property portfolio is located 2% in the West; 17% Midwest; 60% East; 21% South.

J.P. Morgan expects to be a net buyer in all regions.

The firm expects to be a net buyer of office, industrial and retail properties.

J.P. Morgan expects to spend about $80 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

J.P. Morgan offers an open-end real estate fund and direct separate account management.

J.P. Morgan's open-end Real Estate Fund has 136 participants. The fund seeks direct investments in income-producing real properties and seeks special-situation projects providing high levels of current income, significant cash flow growth potential and high residual property appreciation.

The parent company is J.P. Morgan & Co.

Timothy J. Heise, managing director, is in charge of making property investments. Erling Asheim, vice president, is client contact.

NCNB National Bank

1 NCNB Plaza, Charlotte, N.C. 28255; (704) 374-8405

Tax-exempt real estate assets	$629 million
Equity	$537 million
Hybrid debt	$92 million
Commingled or pooled funds	
Equity	$388 million
Hybrid debt	$79 million
Direct, separate accounts	
Equity	$149 million
Hybrid debt	$13 million
Total real estate assets	$629 million

As of June 30, the tax-exempt equity assets of NCNB National Bank had a market value of $513 million. Contributions received but not invested were $24 million.

The hybrid debt holdings had a market value of $92 million.

For tax-exempt assets, the mix by property type was 42% industrial; 5% multifamily housing; 12% office/commercial; 41% land.

The total tax-exempt property portfolio is located 1% in the West; 1% Midwest; 15% East; 83% South.

NCNB expects to be a net buyer in the South.

The firm expects to be a net buyer of office and industrial properties.

NCNB expects to spend $50 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be on developmental properties.

NCNB offers open-end and closed-end funds and separate account management.

The NCNB Real Estate Fund is an open-end fund of $411 million; $24 million is contributions received but not invested. There are 673 participants. The fund buys land for the development of commercial and residential investments, primarily business parks in the Southeast.

Investment clients include TWA Pilots, Ohio Schools, Washington Suburban Sanitary Commission and Inter-American Development Bank.

The parent company is NCNB Corp.

Floyd T. Boyce, senior vice president, is in charge of making property investments. Mark S. Coltrin, vice president, is client contact.

The O'Connor Group

200 Park Ave., 51st Floor, New York, N.Y. 10166; (212) 687-7420

Tax-exempt real estate assets	$902 million
Equity	$797 million
Hybrid debt	$105 million
Commingled or pooled funds	
Equity	$320 million
Direct, separate accounts	
Equity	$477 million
Hybrid debt	$105 million
Total real estate assets	$1,170 million
Equity	$1,065 million
Hybrid debt	$105 million

Top 10 real estate managers ranked by tax-exempt assets in mortgages

	$ millions
McMorgan	800
Lehmer & Buck	661
First Interstate Mortgage	500
Equitable Real Estate	437
Union Labor Life	413
L.J. Melody	385
Wells Fargo Realty	335
ASB Capital	324
Citicorp	316
August-Am Cal	279
TOTAL	4,440

As of June 30, the tax-exempt equity assets of The O'Connor Group had a market value of $589 million. Contributions committed but not received were $208 million.

The hybrid debt holdings had a market value of $105 million.

For tax-exempt assets, the mix by property type was 7% industrial; 8% office/commercial; 85% retail.

The total tax-exempt property portfolio is located 57% Midwest; 19% East; 24% South.

The firm expects to be a net buyer of retail, industrial, and office properties.

O'Connor Group expects to spend $25 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

O'Connor offers closed-end funds and separate accounts.

The O'Connor Group offers the Retail Property Trust, a closed-end fund. A secondary offering of $150 million to $350 million will close Sept. 30. Original contributions of $260 millions are fully invested. The strategy is to acquire top-quality regional centers.

Investment clients include AT&T, Kansas Public Employees, Burlington Northern and New York State Common.

The firm's subsidiaries are O'Connor Management Inc. and O'Connor Realty Advisors.

Glenn J. Rufrano and Benjamin G. Gifford, partners, are in charge of making property investments. Nancy I. Lashine, vice president, is client contact.

Property Capital Associates

200 Clarendon St., Boston, Mass. 02116; (617) 536-8600

Tax-exempt real estate assets	$770 million
Equity	$770 million
Commingled or pooled funds	
Equity	$685 million
Direct, separate accounts	
Equity	$85 million
Total real estate assets	$770 million

As of June 30, the tax-exempt equity assets of Property Capital Associates had a market value of $625 million. Contributions committed but not received were $145 million.

For tax-exempt assets, the mix by property type was 27% hotel/resort; 7% industrial; 14% multifamily housing; 35% office/commercial; 17% retail.

The total tax-exempt property portfolio is located 30% in the West; 40% Midwest; 20% East; 10% South.

PCA expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial, office, apartments and retail properties and a net seller of hotels.

PCA expects to spend $100 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be rehabilitation/asset management of existing properties.

The firm offers closed-end funds and separate accounts.

The $111 million PCA Tishman Speyer Inc. fund closed April 1987; contributions committed but not invested are $21 million. The fund is a real estate investment trust affiliated with Tishman Speyer Properties that will acquire through leverage and improve existing major office buildings.

The PCA Sammis Industrial Fund, which closed Dec. 15, had no contributions as of June 30. Investors will own shares in a REIT that will enter into a partnership with an affiliate of The Sammis Co. to acquire through leverage and improve existing industrial properties and business parks in selected metropolitan markets.

Investment clients include Allied-Signal, Eastman Kodak, Harvard University and World Bank.

Anthony D. Fox, director, is in charge of making property investments. Thomas J. Mizo, vice president, is client contact.

Prudential Realty Group

3 Prudential Plaza, Newark, N.J. 07101; (201) 877-8462

Tax-exempt real estate assets	$5,171 million
Equity	$4,740 million
Hybrid debt	$220 million
Mortgages	$211 million
Commingled or pooled funds	
Equity	$4,475 million
Hybrid debt	$120 million
Mortgages	$211 million
Direct, separate accounts	
Equity	$265 million
Hybrid debt	$100 million
Total real estate assets	$37,813 million
Equity	$14,695 million
Hybrid debt	$220 million
Mortgages	$22,898 million

As of June 30, the tax-exempt equity assets of Prudential Realty Group had a market value of $4.402 billion. Contributions received but not invested were $73 million; contributions committed but not received were $265 million.

The hybrid debt holdings had a market value of $120 million. Contributions committed but not received were $100 million. The market value of the mortgages was $130 million. Contributions received but not invested were $81 million.

Of tax-exempt general account assets, $8 million was invested in mortgages.

For tax-exempt assets, the mix by property type was 9% hotel/resort; 14% industrial; 10% multifamily housing; 50% office/commercial; 16% retail; 1% agriculture/land.

The total tax-exempt property portfolio is located 33% in the West; 14% Midwest; 35% East; 18% South.

Prudential Realty Group expects to spend $136 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

Prudential Realty Group offers open-end and closed-end funds and direct separate accounts.

Prudential Realty Group offers Prudential Property Investment Separate Account, an open-end fund that invests in completed, well-leased, income properties diversified by property type and location. The fund has invested contributions of $3.597 billion from 230 clients; $43.5 million has been contributed but not invested.

PRISA II, an open-end fund that invests in moderately opportunistic completed, leased and income-producing properties, has $461.9 million invested for 30 clients; $30 million has not yet been invested.

The Prudential Preference Investment Mortgage Separate Account, an open-end commingled mortgage account that invests in union-built or improved projects, has $63.6 million invested for 19 participants.

Prudential Mortgage Investment Separate Account, an open-end commingled mortgage fund that invests in fixed-rate loans with equity participation, has $62.9 million invested from nine participants.

The Prudential Union Mortgage Account, an open-end fund that invests in construction loans, forward commitments and fixed-rate loans on union-built or improved projects, has $9.2 million invested for 26 investors; $81 million is not yet invested.

Investment clients include Sony Corp. of America, Heavy and General Laborers Local 472, New York State Teachers and Florida State Board of Administration.

The parent company is The Prudential Insurance Co. of America. Its subsidiaries are The Prudential Mortgage Capital Co., The Prudential Property Co., The Prudential Home Mortgage Co. and Prudential Real Estate Affiliates.

Paul Firstenberg, executive vice president-portfolio management, is in charge of making property investments. Lester Lockwood, vice president-domestic marketing, is client contact.

PSI Institutional Realty

1015 Grand Ave., Glendale, Calif. 91201; (818) 244-8080

Tax-exempt real estate assets	$812 million
Equity	$812 million
Commingled or pooled funds	
Equity	$626 million
Direct, separate accounts	
Equity	$186 million
Total real estate assets	$2,400 million
Equity	$2,400 million

As of June 30, the tax-exempt equity assets of PSI Institutional Realty, a division of Public Storage Inc., had a market value of $563 million. Contributions received but not invested were $53 million; contributions committed but not received were $196 million.

All tax-exempt assets were in industrial properties.

The total tax-exempt property portfolio is located 45% in the West; 12% Midwest; 17% East; 26% South.

PSI Institutional Realty expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial/mini-warehouse properties.

The firm's main area of concentration over the year will be on managing existing properties.

PSI Institutional Realty offers closed-end funds and separate accounts.

Public Storage Institutional Fund, with nine investors, has $74 million in assets, of which $14 million is to be invested.

PSIF II, with 16 investors, has $108 million in assets, of which $39 million is not invested.

PSIF III, with eight investors, closed in August. The fund has $103 million in commitments.

All three funds are limited partnerships that acquire on an all-cash basis commercial and industrial land sites and develop, own and manage mini-warehouses nationwide.

Investment clients include Ameritech, Connecticut, Kodak and Illinois.

Hugh Horne, president of Public Storage Development Co., is in charge of making property investments. Nori Gerardo, senior vice president, is client contact.

RREEF

650 California St., Suite 1800, San Francisco, Calif. 94108; (415) 781-3300

Tax-exempt real estate assets	$3,072 million
Equity	$3,072 million
Commingled or pooled funds	
Equity	$2,872 million
Direct, separate accounts	
Equity	$200 million
Total real estate assets	$3,495 million
Equity	$3,495 million

As of June 30, the tax-exempt equity assets of RREEF had a market value of $2.724 billion. Contributions received but not invested were $71 million; contributions committed but not received were $277 million.

For tax-exempt assets, the mix by property type was 29% industrial; 36% office/commercial; 35% retail.

The total tax-exempt property portfolio is located 46% in the West; 18% Midwest; 18% East; 18% South.

RREEF expects to be a net buyer in the East and Midwest regions.

The firm expects to be a net buyer of industrial, apartments, retail and office properties.

RREEF expects to spend $28 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be rehabilita-

tion/asset management of existing properties.

RREEF offers closed-end funds and separate accounts.

RREEF MidAmerica/East V, with 11 participants, has $50 million invested; $75 million is committed and not yet invested.

RREEF USA Fund III, with 24 participants, has $720 million invested; $53 million is committed and not yet invested.

Investment clients include AT&T, Illinois State Universities, Xerox and New York State Common.

Stanislaw Maliszewski, partner, is client contact.

Schroder Real Estate Associates

437 Madison Ave., New York, N.Y. 10022; (212) 486-9800

Tax-exempt real estate assets	$411 million
Equity	$411 million
Commingled or pooled funds	
Equity	$311 million
Direct, separate accounts	
Equity	$100 million
Total real estate assets	$1,300 million
Equity	$1,294 million
Mortgages	$6 million

As of June 30, the tax-exempt equity assets of Schroder Real Estate Associates had a market value of $300 million. Contributions committed but not received were $111 million.

For tax-exempt assets, the mix by property type was 40% office/commercial and 60% retail.

The total tax-exempt property portfolio is located 27% in the West; 8% Midwest; 43% East; 22% South.

Schroder expects to be a buyer in all regions and a seller in the East and South.

The firm expects to be a net buyer of retail, office and industrial/warehouse properties.

Schroder expects to spend $50 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisition.

The firm offers closed-end funds, separate accounts and co-investments of specific properties.

Schroder Real Estate Associates offers the Schroder Real Estate Fund A, a closed-end fund with $100 million invested, $62 million committed but not invested and $83 million in interim leverage for capital expenditures. The fund will acquire three or four underutilized, smaller regional or large enclosed shopping centers that will respond to intense property and construction management to be sold within five to seven years.

Investment clients include Eastman Kodak, 3M, General Foods and New York State.

Schroder Center Management Inc. is a subsidiary.

Norman L. Peck, managing director, is in charge of making property investments. John E. Emmanuel, senior vice president, is client contact.

Sentinel Real Estate Corp.

1290 Avenue of the Americas, New York, N.Y. 10104; (212) 408-2900

Tax-exempt real estate assets	$1,218 million
Equity	$1,218 million
Commingled or pooled funds	
Equity	$1,008 million
Direct, separate accounts	
Equity	$210 million
Total real estate assets	$1,436 million
Equity	$1,436 million

As of June 30, the tax-exempt equity assets of Sentinel Real Estate Corp., formerly Security Capital Real Estate, had a market value of $950 million. Contributions received but not invested were $110 million; contributions committed but not received were $158 million.

For tax-exempt assets, the mix by property type was 2% industrial; 84% multifamily housing; 6% office/commercial; 8% retail.

The total tax-exempt property portfolio is located 38% in the West; 10% Midwest; 5% East; 47% South.

The main area of concentration during the year will be acquisitions.

Sentinel Real Estate offers open-end and closed-end funds and separate accounts.

SRE Real Estate Fund, an open-end fund, has invested $812 million; contributions received but not invested are $103 million. The group trust purchases apartments, office, retail and warehouse properties of $5 million to $25 million on an equity basis.

SRE Realty Partners I, a $93 million fund that closed in February, contributions received but not invested of $7 million and contributions committed and not received of $40 million. The limited partnership acquires newer residential properties on an equity basis.

SRE Realty Partners II closes June 30, 1989. The limited partnership will raise up to $250 million and will invest in income-producing apartments nationwide.

SRE Realty Partners III closes Sept. 30, 1989. The limited partnership will invest in and manage commercial, industrial, residential and other properties in key locations.

Investment clients include Ford, GTE, Pennsylvania and Los Angeles County.

John Streicker, president, and four portfolio managers, make property investments. Lewis W. Kresch is client contact.

State Street Bank and Trust

225 Franklin St., Boston, Mass. 02110; (617) 654-3953

Tax-exempt real estate assets	$455 million
Equity	$213 million
Hybrid debt	$139 million
Cash	$103 million
Commingled or pooled funds	
Equity	$213 million
Hybrid debt	$139 million
Total real estate assets	$455 million

As of June 30, the tax-exempt equity assets of State Street Bank and Trust Co. had a market value of $213 million.

The hybrid debt holdings had a market value of $139 million.

Cash received or committed but not earmarked for a specific investment totaled $103 million.

For tax-exempt assets, the mix by property type was 33% industrial; 24% office/commercial; 41% retail; 2% residential.

The total tax-exempt property portfolio is located 43% in the West; 16% Midwest; 14% East; 27% South.

State Street expects to spend $7 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

State Street offers closed-end commingled real estate funds in conjunction with Aldrich, Eastman and Waltch. The AEW-State Street Real Estate Fund VI will close to subscriptions in December. The fund invests in well-located, quality projects that are actively managed.

Investment clients include CBS, GTE, World Bank and Wisconsin Electric.

The parent company is State Street Boston Corp.

Robert E. Kilroy, vice president, is in charge of making property investments. Peter E. Braun, vice president, is client contact.

The next edition of PROPERTY will appear Nov. 28.

TCW Realty Advisors

400 S. Hope St., Suite 600, Los Angeles, Calif. 90071-2899; (213) 683-4200

Tax-exempt real estate assets	$2,285 million
Equity	$1,832 million
Hybrid debt	$453 million
Commingled or pooled funds	
Equity	$1,284 million
Hybrid debt	$280 million
Direct, separate accounts	
Equity	$548 million
Hybrid debt	$173 million
Total real estate assets	$2,285 million

As of June 30, the tax-exempt equity assets of TCW Realty Advisors had a market value of $1.164 billion. Contributions received but not invested were $38 million; contributions committed but not received were $630 million.

The hybrid debt holdings had a market value of $453 million.

For tax-exempt assets, the mix by property type was 38% industrial; 47% office/commercial; 12% retail; 3% land.

The total tax-exempt property portfolio is located 63% in the West; 1%

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Midwest; 27% East; 9% South.

TCW expects to be a net buyer in all regions.

The firm expects to be a net buyer of industrial, office and retail properties.

TCW expects to spend $10 million on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The firm's main area of concentration during the year will be acquisitions.

TCW offers direct separate account investment management and closed-end commingled funds.

TCW Land Fund I, with 13 participants, has $72 million invested and $175 million committed but not yet invested. TCW Realty Fund V, with 64 participants, has $88 million invested and $525 million committed but not yet invested.

The group trusts invest nationally in general purpose industrial, office and retail properties. Transactions are structured with convertible debt if appropriate, but most are straight equity.

Investment clients include Pacific Telesis, U S WEST, McDonnell Douglas and Illinois Teachers.

The firm is a joint venture with Trust Co. of the West.

William Krauch, partner-director of acquisitions, is in charge of making property investments. Bruce Ludwig, senior partner, is client contact.

PROPERTY's next issue will be Nov. 28.

The Travelers

1 Tower Square, Hartford, Conn. 06183; (203) 277-0111

Tax-exempt real estate assets	$449 million
Equity	$405 million
Mortgages	$44 million
Commingled or pooled funds	
Equity	$374 million
Mortgages	$44 million
Direct, separate accounts	
Equity	$31 million
Total real estate assets	$19.803 million
Equity	$1.569 million
Mortgages	$18.234 million

As of June 30, the tax-exempt equity assets of The Travelers had a market value of $405 million. The market value of the mortgages was $44 million.

Of the tax-exempt general account assets, $32 million was invested in equity real estate and $10.211 billion in mortgages.

For tax-exempt assets, the mix by property type was 5.7% hotel/resort; 13.5% industrial; 1.9% multifamily housing; 57.1% office/commercial; 11% retail; 10.8% timber/agriculture.

The total tax-exempt property portfolio is located 25.5% in the West; 32.1% Midwest; 8.7% East; 33.7% South.

The Travelers expects to spend $700,000 on rehabilitation, renovation, expansion or modernization of existing properties in 1988.

The main area of concentration during the year will be rehabilitation and asset management of existing properties.

The Travelers offers open-end and closed-end funds and separate account management.

Separate Account "R", an open-end fund, has $327.5 million invested in equity for newly constructed properties from 44 clients; $44.1 million invested in first and junior mortgages for two clients; and $112.9 million in a balanced portion of the fund for 92 clients.

Separate Account "T-II", a closed-end fund, is open for subscription. The fund invests in timberland.

Investment clients include Consolidated Edison, Pennsylvania Blue Shield, Sisters of the Holy Cross and Memphis Light, Gas and Water.

Subsidiaries are The Prospect Co. and Travelers Mortgage Services.

Raymond Morgan, vice president, is in charge of making property investments. B. Thomas Willison, vice president, is client contact.

Union Labor Life Insurance

111 Massachusetts Ave. N.W., Washington, D.C. 20001; (202) 682-0900

Tax-exempt real estate assets	$413 million
Mortgages	$413 million
Commingled or pooled funds	
Mortgages	$413 million
Total real estate assets	$887 million
Mortgages	$887 million

As of June 30, the tax-exempt mortgage assets of Union Labor Life Insurance Co. had a market value of $136 million. Contributions received but not invested were $277 million.

Of tax-exempt general account assets, $473 million was invested in mortgages.

Investment by property type was 3% hotel/resort; 16% industrial; 3% multifamily housing; 57% office/commercial; 19% retail; 1% restaurants; 1% single-family housing.

Union Labor Life offers open-end funds and separate accounts.

Mortgage Separate Account J, "J for Jobs" invests in a diversified mortgage portfolio. Investors buy shares of mortgage investments made primarily on construction projects using union workers.

The parent company is ULLICO Inc.

E.R. Saathoff, vice president-mortgage department, is in charge of making property investments. Peter Mulligan, vice president-group sales and marketing, is client contact.

Wells Fargo Realty Advisors

595 Market St., 15th Floor, San Francisco, Calif. 94105; (415) 477-5800

Tax-exempt real estate assets	$850 million
Equity	$219 million
Hybrid debt	$296 million
Mortgages	$335 million
Commingled or pooled funds	
Equity	$217 million
Hybrid debt	$118 million
Mortgages	$335 million
Direct, separate accounts	
Equity	$2 million
Hybrid debt	$178 million
Total real estate assets	$971 million
Equity	$340 million
Hybrid debt	$296 million
Mortgages	$335 million

As of June 30, the tax-exempt equity assets of Wells Fargo Realty Advisors had a market value of $219 million.

The hybrid debt holdings had a market value of $124 million. Contributions received but not invested were $69 million; contributions committed but not received were $103 million. The market value of the mortgages was $335 million.

For tax-exempt assets, the mix by property type was 40.7% industrial; 4.4% office/commercial; 44.7% retail; 10.2% apartments.

The total tax-exempt property portfolio is located 82.3% in the West and 17.7% South.

Wells Fargo expects to be a net buyer in the West, East and Midwest regions and a net seller in the South.

The firm expects to be a net buyer of retail, industrial and apartments.

The main area of concentration for the year will be acquisitions.

Wells Fargo offers open-end commingled funds and separate accounts.

The Wells Fargo Real Estate Equity Fund has $202 million in assets from 150 participants. The fund emphasizes development-oriented real estate transactions where existing properties might be upgraded, expanded or renovated. Transactions are typically structured as either joint development ventures or developmental participating mortgages.

Investment clients include Ohio Public Employees, GM and Old Kent Bank.

The parent company is Wells Fargo & Co. Wells Fargo Realty Finance is a subsidiary.

Doug Hayek, director of acquisitions, is in charge of making property investments. J. Michael Johnson, director of marketing, is client contact.

Assets climb

Continued from page P13

While acknowledging the boost from the Cadillac Fairview deal, John S. Lillard, president of JMB Institutional, said the firms also were successful in other endeavors. "For example, we have put together a $200 million apartment limited partnership," he noted.

Aldrich, Eastman & Waltch Inc., Boston, and Richard Ellis Inc., New York, broke into the top 10 this year. AEW placed eighth, up from last year's 12th place ranking, while Richard Ellis moved up to 10th from 18th.

F.I.A. Associates, Sacramento, Calif., and Corporate Property Investors, New York, both fell out of the top 10.

The rest of the top 10 tax-exempt real estate managers, and this year's ranking, were Equitable Real Estate Investment Management Inc., New York, second; The Prudential Realty Group, Newark, N.J., fourth; Heitman Advisory Corp., Chicago, fifth; Aetna Life & Casualty, Hartford, Conn., sixth; RREEF, San Francisco, seventh; and The Boston Co. Real Estate Counsel Inc., Boston, ninth.

The Cadillac Fairview deal also boosted the rankings of Copley and JMB among the 10 largest tax-exempt equity real estate managers. Copley, which finished fourth last year, was ranked first, while JMB, eighth last year, finished third.

Richard Ellis also was new to the top 10 equity real estate managers, finishing ninth. New York-based Eastdil Realty Inc., whose tax-exempt equity real estate assets fell almost 75% to $394 million, dropped out of the top 10.

Martha Wallau, a vice president at Eastdil, said assets declined because, in part, the firm lost an approximately $650 million account with the California State Teachers' Retirement System, Sacramento.

"We had been their sole real estate adviser for the first three years," of their real estate program development, she said. The fund recently switched to a multiple-adviser approach.

The rest of the decrease in assets was from "opportunistic" selling of properties in various accounts, Ms. Wallau added.

The rest of the top 10 tax-exempt equity real estate firms, and their rankings, were Equitable Real Estate, second; Heitman, fourth; Prudential Realty, fifth; Aetna, sixth; RREEF, seventh; LaSalle Advisors Ltd., Chicago, eighth; and Corporate Property Investors, 10th.

Among the top 10 managers of tax-exempt hybrid debt assets, AEW leaped to the top spot from its third place ranking last year. "That's an area we first pioneered back when the firm was founded in 1981," said Kristen Fuller, marketing manager.

Hybrid debt is "something we found beneficial to our clients in the past and we continue to do it. It has been a good year for us all around," she added.

TCW Realty Advisors, Los Angeles, finished in the 10th spot, pushing Houston-based L.J. Melody & Co. to 11th.

McMorgan & Co., San Francisco, and Latimer & Buck Inc., Philadelphia, again finished first and second, respectively, among the top 10 managers of tax-exempt mortgage assets.

Two firms new to this year's survey were ranked among the top 10 firms. First Interstate Mortgage Co. of Illinois, Chicago, finished third, while ASB Capital Management Inc., Washington, was ranked eighth. Citicorp Real Estate Investment & Management, New York, also cracked the top 10, finishing ninth. ■

Foreign clients

Continued from page P13

able Life Assurance Society of the United States, Equitable Real Estate's parent company.

"We were the first, back in 1981, to enter into a joint venture with a Japanese institutional client and we now have nine joint ventures with Japanese investors," said Jonathan Miller, a vice president in Equitable Real Estate's New York office.

Equitable's Japanese clients include Nippon Life Insurance, Osaka; and Dai-ichi Mutual Life, Asahi Life Insurance and Meiji Life Insurance, all of Tokyo.

"Our business is investing capital for clients in U.S. real estate. Offshore sources (of capital) are a very important part of our business," Mr. Miller said.

"We are seeking a diversification in our source of funds," added Suzanne V. Franks, also a vice president in Equitable Real Estate's New York office.

Prudential Realty Group, Newark, N.J., reported a current market value of $1.8 billion in overseas business relationships. Of that amount, $1.3 billion was from Japanese investors.

In addition, Armand Pacher, vice president-international marketing and product development for Prudential Realty, said the completion value of various projects involving offshore partners should total $2.6 billion, of which $1.1 billion represents foreign interests.

"While most of our foreign investors are represented by Japan and Europe, we have had increasing interest from other parts of the world, including other parts of Asia," Mr. Pacher said.

Other firms with substantial foreign business relationships, and the amount they reported, include:

- Schroder Real Estate Associates, New York, with $889 million from non-U.S. clients;
- Landauer Advisors Inc., New York, $639.2 million;
- Heitman Advisory Corp., Chicago, $632 million;
- RREEF, San Francisco, $403 million;
- Chesterton International, New York, $371 million; and
- Eastdil Realty Inc., New York, $325 million. ■

Companies sold realty holdings, '87 reports show

By Joanne Friedrick

Sales of real estate assets paced acquisitions among porations in 1987, a PROPI review of corporate annual reports shows.

Corporations sold almost $50 million in real estate, and acquired about $280 million, according to the review of more than 200 annual reports, of which 50 detailed real estate operations.

Real estate sales were led by **Goodyear Tire & Rubber Co.**, Akron, Ohio, which sold two Arizona agricultural, development and resort hotel subsidiaries. The sale, totaling $220.1 million, was contingent on Goodyear's purchase of $40 million in assets from the Arizona properties.

Chevron Corp., San Francisco, which also was busy in the acquisitions area, added to its revenues through the sale of $53 million in land, $77 million in residential units and another $12 million in agricultural and other real estate.

On a much smaller scale, **Barrett Resources Corp.**, Denver, an oil and gas company, continued on its mission to get out of the real estate acquisitions business in 1987 by selling $43,000 in real estate.

USX Corp., Pittsburgh, which registered its 18th profitable year in the real estate business through its USR Realty Development subsidiary, booked $43 million from sales of realty in Alabama, California, Ohio and Virginia.

About $86 million in properties were marketed by CSX Realty, the subsidiary of **CSX Corp.**, Richmond, Va. It also evaluated 52 major parcels for future sale or development.

And JCP Realty, the real estate arm of **J.C. Penney Inc.**, Dallas, had gains of $9 million from the sales of shopping center interests; it has interests in 80 projects, about 30 of which were in the development stage in 1987.

Among the acquisitions listed in the annual reports were:

- **American General Corp.**, Houston, through its Mortgage/Real Estate Cos. subsidiary, owns 75% of American Newland Associates, which purchased the land development business of Genstar Land-U.S.A. and its joint-venture interests for $200 million.

American Newland has six master-planned residential community projects under way.

- **Chevron**, which has two real estate subsidiaries — Chevron Land & Development Co. and Huntington Beach Co. — acquired the remaining 34% interest in Huntington Beach during 1987 for $80 million.
- **Xerox Corp.** purchased a 25% interest in VMS Realty Partners, Chicago. Stamford, Conn.-based Xerox, through its Xerox Credit Corp. unit, invested $80 million in VMS and provided it $120 million in loans. VMS manages more than $6 billion in real estate.

Companies nationwide also continued or started major real estate projects during 1987:

- **Chubb Corp.**, Warren, N.J., changed its focus to institutional and international investors for its real estate products, including office projects in New Haven, Conn.; Monmouth County, N.J.; and Bucks County, Pa.; a 154-unit high-rise oceanfront residential development in Florida; and an 80-unit inland townhouse project.
- **United Water Resources**, Harrington Park, N.J., a newcomer to the real estate development business, had two joint ventures in the works in 1987. Lake Forest Park, in Emerson, N.J., will be a combined business and residential development. Faircliff Plaza, Fairview, N.J., will be an eight-story, 200-unit condo. ■

Captive funds

Continued from page 1

1988, is the largest captive domicile in the United States.

According to the 1988 Captive Insurance Company Directory, published by Tillinghast, Stamford, Conn., captives have roughly $14 billion in investible money. Officials at Tillinghast, an insurance industry consultant, emphasized this is an estimate, because of the difficulty in getting data from captives.

Most of that money goes to external managers. Investment managers interviewed said a few captives might have their assets managed by the treasury department of their parent company.

Captives' offshore history means international managers, or U.S. managers with international ties, hold the bulk of the captives' asset management business. "That's a historical accident," said Keith Brown, chairman of WorldInvest Ltd., London, which runs about $500 million for captives.

Most captives also have tended to invest in Eurodollar-denominated bonds to make their offshore status clear to U.S. tax and regulatory authorities, but have avoided bonds in other currencies because their liabilities often are denominated in U.S. dollars.

Captives also often have sought to match the duration of their assets to that of their liabilities, as a pension fund would with an immunized bond portfolio. The result of this has been heavy investment in intermediate-term Eurodollar bonds.

Now, with tax advantages for offshore captives fading and more captives being set up in the United States, captive insurers feel freer to invest in U.S. Treasury securities, although Eurodollar bonds still are the most popular investment, managers said.

(Although captives never were prohibited from investing in Treasuries, to do so would have invited regulatory scrutiny, the managers noted.)

Also, as captives have grown, they have moved to a less conservative investment posture than the currency-matched, duration-matched one. This has meant investment in foreign currency-denominated bonds, usually with the currency hedged; purchase of longer-maturity bonds in all currencies; and even a few small investments in common stocks, both in the United States and abroad. An exact asset breakout wasn't available from most managers.

"With a nascent captive, we are very careful to make sure their assets and liabilities match as closely as possible," said Peter Flynn, North American representative for N.M. Rothschild Asset Management Ltd., London, which runs $1.7 billion for captives. A mature captive can go farther out on the yield curve and take a longer-term investment view, he said.

Also, as they learn more about different types of investments, executives of the insurance companies have become more comfortable with portfolios diversified beyond intermediate Eurodollar bonds, said Jeremy Lodwick, vice president of Morgan Grenfell Investment Services Ltd., London, which runs $1.3 billion for captives.

Mr. Flynn said captives need to be free to concentrate on their insurance business and not be bothered about the investment business. "We're very aware that the investment side should run smoothly," he said.

Managers who are more accustomed to doing business for pension funds need to be sensitive to the captives' different accounting and reporting requirements, added Felicity Hammond, vice president in J.P. Morgan Investment Management Inc.'s London office, which runs $2.3 billion for offshore captives. Another $300 million for U.S. captives is managed in J.P. Morgan's New York office.

Opinion is divided as to whether captives provide a growth area for money management.

"People have recognized you can make losses as well as profits from insurance," Mr. Brown said, pointing out this has dampened corporations' enthusiasm for setting up captives.

Still, captive's function as a self-insurer for their parent corporations is legitimate, said Dick Carpenter, a managing director of Chase Investors Management Corp., New York. An affiliate, Chase International Investment Group, London, manages about $1 billion for captives. ■

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Investment Age

LBO funds' returns shine

Go as high as 163%

By Marlene Givant Star
and Marcia Parker

Eight leveraged buy-out funds selected by a new Common Fund-sponsored program for colleges and universities boast gross annual returns ranging from 26% to 163% for periods of from seven to 19 years.

Together, those eight funds are in the process of raising more than $3 billion for leveraged buy-outs, with a small chunk coming from the schools. The bulk of the money is coming from leading institutional investors and some individuals. Most of the money will be earmarked for equity investments, with some allocated to debt investments with equity participation.

Individual investors in one of the eight funds chosen by The Common Fund, McCown de Leeuw & Co., San Francisco, include the chief executives of Wells Fargo Bank, Chevron Corp., Sutter Hill Ventures and Greylock Mountain Industries.

The Common Fund and several other leading educational institutions have set up a limited partnership called Endowment Partners 1 that is targeted to raise about $125 million from colleges, universities and independent schools for leveraged buy-outs (*See related story on this page*). The eight funds selected represent a mix of large, well-known players like Merrill Lynch Capital Partners, New York, the second largest participant in the leveraged buy-out business after Kohlberg Kravis Roberts & Co., New York, and specialists such as San Francisco-based McCown de Leeuw, which will focus on middle-market acquisitions.

Through The Common Fund's selection of these funds, a good deal of hard-to-get information on returns, management fees, profit splits and investors was made available. All of the information on the funds came from material supplied to The Common Fund.

Comparing the funds, it is clear each structures management fees differently. Profit splits are more standard at 80-20. Looking at the funds as a group, an ever growing number of institutions are investing in the funds, from corporate pension funds to public pension funds to insurance companies.

Merrill Lynch raised $13.8 billion for 18 transactions between 1981 and 1987. Its Capital Appreciation Fund I, which raised $400 million in 1985 and earned an annualized gross return of about 84% per year, is fully invested.

The New York investment bank is raising total commitments of $2.2 billion for Fund II and will invest $300 million of its own capital. The Common Fund invested $10 million from its equity fund for Merrill Lynch's Fund II and arranged to hold open another $25 million for possible investment by Endowment Partners.

Besides The Common Fund, the pension funds of Boeing Co., Eastman Kodak Co., the State of Wisconsin and Aetna Life & Casualty Co.; Equitable Life Assurance Society of the United States; Metropolitan Life Insurance Co.; Fuji Bank; Bank of America; Wells Fargo; Northwest Mutual Life Insurance Co.; and Bankers Trust Co. are among the other investors.

The annual management fee is 1.5% of capital commitments until the fund is fully invested, then 0.75%. Investors and Merrill split profits including investment banking fees paid to the fund 80-20, with investors receiving a 12% preferred return.

Clayton & Dubilier, New York, is, after KKR, the largest private equity manager not affiliated with an investment bank. It has made $5.2 billion in acquisitions to date, emphasizing operational issues as opposed to financial restructuring. The firm will invest in private companies or divisions of companies with a

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Schools seek cut of profits

By Marlene Givant Star

FAIRFIELD, Conn. — Hoping to give colleges and universities the chance to reap the high return rewards associated with leveraged buy-outs, The Common Fund and several large colleges have formed a limited partnership to pool their resources and invest in the wave of buy-outs reshaping corporate America.

If this approach catches on among endowments, it could unleash a flood of new capital to leveraged buy-outs. With assets of $55 billion, endowments are a large, untapped source of capital for private investments, according to buy-out specialists and George Keane, president of

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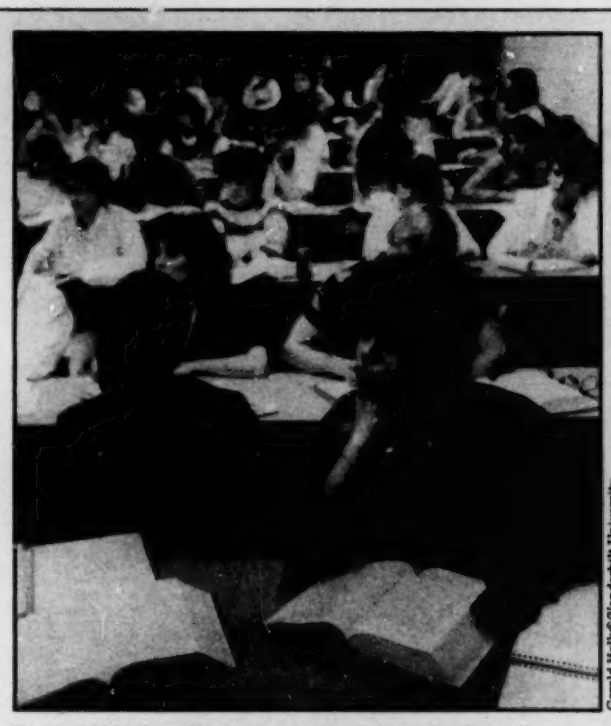

Gerald Holly©/Vanderbilt University

Vanderbilt University — where these students attend law school — is one of several universities believed to be interested in The Common Fund's leveraged buy-out venture. They hope to reap big returns from their investments.

Lease deals crossing more borders

By Marcia Parker

The hottest deals in the leasing market today are cross-border, tax-based leveraged leasing transactions, which bring together companies in one country that are trying to finance an asset with investors in other, high-tax-rate countries who can use the tax benefits associated with that asset.

Cross-border lease financing, sometimes called double-dip leasing, really took off in the early 1980s.

Financing

Interest has been growing steadily ever since, although the number of these very complex transactions is still relatively small.

"You have a pool of equipment in search of a pool of taxable investors," explained Robert Imershein, vice president at Bankers Trust Co., New York, an active player in cross-border transactions. "You look for high tax jurisdictions in the world and then you marry them."

Tracking the development of this segment of the leasing industry is tough. Lessees and lessors and their advisers are highly secretive about the deals they do, how they are structured, which countries are involved and who supplies the financing.

In some countries — including the United Kingdom, United States, Australia and, recently, Hong Kong — tax authorities have pulled the rug out from under these transactions, making them unattractive or impossible. And some governments — including Japan — are moving to reform tax laws and make cross-border leasing deals harder and less lucrative.

To date, airlines have been doing most of the deals, lining up financing in two key markets, Japan and France. Airlines that have done cross-border deals include World Airways, United Airlines, American Airlines, AirFrance, Airbus, Pan American Air-

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: A look at leasing - Page 21

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LATE NEWS

British firm extending its reach

LONDON — Tyndall Holdings PLC of London, with $2 billion under management, is rumored to be considering a $170 million bid for G.T. Capital Management PLC, London.

G.T. Capital has nearly $6 billion in assets under management. Its U.S. subsidiary, G.T. Capital Management Inc., San Francisco, managed $900 million in assets March 31.

Jim Mellon, group marketing manager for Tyndall, declined to comment on the rumor, which has been published in the Times of London. Anthony Dick, director of G.T., said, "No talks are taking place."

Last week, Tyndall acquired Newport Pacific Management Corp., San Francisco, for about $2.2 million in cash and securities. The acquired firm, which runs $85 million, will be renamed Tyndall-Newport Management.

In late July, Tyndall bought a 25% interest in Horgan Tattersall Investment Counsel Ltd., a Toronto-based money manager with $50 million in assets under management.

AMR executive accepts new job

DALLAS — M.E. Devine, former director of banking and investments at American Airlines Inc. and vice president of short-term investments at AMR Investment Services, has left to become treasurer and chief financial officer at Evergreen Media Corp., Dallas.

Mr. Devine, who spent 13 years at American, will oversee all corporate finance activities, banking relations, cash management and borrowing at the Dallas-based media holding company.

William F. Quinn, president of AMR Investment Services, said Mike Fields, who served as primary short-term portfolio manager under Mr. Devine, will assume his former boss' responsibilities.

Steel plans assumed by PBGC

WASHINGTON — The Pension Benefit Guaranty Corp. formally has become trustee of three Kaiser Steel Corp. pension plans covering more than 7,000 participants.

The plans were taken over through a distress termination by the PBGC in February 1987 when Kaiser, of Colorado Springs, Colo., filed for reorganization under federal bankruptcy laws. Together the plans have assets of about $30 million, and an unfunded liability of more than $200 million.

In February 1987, the PBGC became trustee of a fourth plan that was underfunded by $27 million when the plan didn't have any assets to pay retirees.

In a related but unusual step, the PBGC has given the company a $4 million line of credit to fund its litigation against former Kaiser top executives, a PBGC official said. Proceeds from the litigation, if successful, will be the company's biggest assets, and the loan is more than adequately secured, said the official.

Funds add to manager rosters

• HONOLULU — The $12 million retirement plan of Kuakini Health Systems Inc. hired Harris Bretall Sullivan & Smith Inc., San Francisco, to manage $5 million in an equity and cash equivalent approach, according to Raymond Abe, vice president.

Mr. Abe said the account was formerly handled by Thompson/Rubinstein Investment Management Inc., Portland, Ore., but was changed on the advice of the fund's consultant, Bateman, Eichler, Hill Richards Consulting Group, Honolulu.

• LINTHICUM HEIGHTS, Md. — The $600 million Masters, Mates & Pilots Pension Fund has hired Nikko & Associates Inc. to run a $10 million global balanced account, said John Sokolowski, administrator. Assets came from other managers.

• FORT WORTH, Texas — The $400 million Employees' Retirement Fund of the City of Fort Worth has allocated $50 million to new investments in real estate and fixed income.

Pacific Financial Management Co., Newport Beach, Calif., will manage $40 million in a bond portfolio, said George Nicolaides, the retirement fund administrator. The assets had been run in a fixed-income account by Hibernia National Bank, New Orleans.

The fund also transferred a $10 million real estate investment to TCW Realty Advisors, Los Angeles, from Aetna Life & Casualty Co., Hartford, Conn. Mr. Nicolaides declined to give reasons for the terminations.

• PHILADELPHIA — The $190 million Philadelphia Gas Works Retirement Reserve fund has hired Nikko & Associates Inc., New York, to run a $5 million international equity portfolio, said Albert Childs, deputy director of finance.

The move was part of a restructuring started in April 1987.

Candidates address USA group

WASHINGTON — Vice President George Bush, the Republican presidential candidate, said he would support legislation to promote shareholder rights if elected.

Massachusetts Gov. Michael Dukakis, the Democratic nominee, did not respond directly to the questions put to him by the

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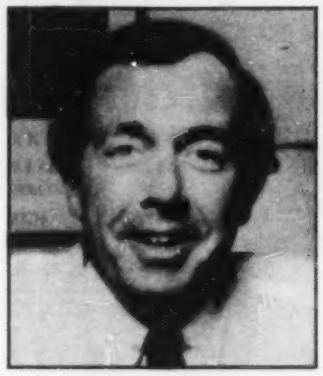
Ramseyer exits; PRA shuts down

By Chuck Paustian

CHICAGO — William L. Ramseyer has decided to end his consulting career and join Chicago-based JMB Institutional Realty Corp. as an executive vice president.

By doing so, he closes the book on Pension Realty Advisors Inc., the San Francisco firm he founded in 1982.



William Ramseyer has decided to leave the consulting business to join JMB.

JMB also has agreed to purchase a "controlling" interest in PRA Securities Advisors L.P., a real estate securities research and investment firm, said John S. Lillard, president of JMB Institutional. Mr. Ramseyer, who was president of Pension Realty Advisors, will remain a partner of PRA Securities and a member of the firm's investment committee.

The only connection between Pension Realty Advisors and PRA Securities is Mr. Ramseyer's ownership interest in both firms.

Paul S. Saint-Pierre, managing director of Pension Realty Advisors, announced the board of directors voted to discontinue the firm's consulting business as a result of Mr. Ramseyer's departure.

As of Sept. 1, Pension Realty Advisors had eight retainer and three non-retainer institutional clients.

Mr. Saint-Pierre said he and his staff of eight will continue to offer the same consulting and advisory services — including the Closed-End Realty Fund Report, a quarterly publication on institutional real estate investment products — to institutional investors through Spear Street Advisors Inc., a San Francisco firm founded simultaneously with Pension Realty Advisors.

Spear Street Advisors "offers more services than PRA, not less," Mr. Saint-Pierre said. "We offer an entire menu of real estate consulting services, not just pension fund real estate services."

He also said Spear Street Advisors will work on a fee-based, project basis rather than on a retainer basis.

Mr. Ramseyer, who will relocate to the Chicago area from his home in Piedmont, Calif., said he decided to make the switch because he wanted to take a more active role in the formation of real estate portfolio strategies.

"In a sense I'll be doing what I've been doing in the past, only now with the ability to create the product," he said.

"I spent six good, hard years — long years — in that business.

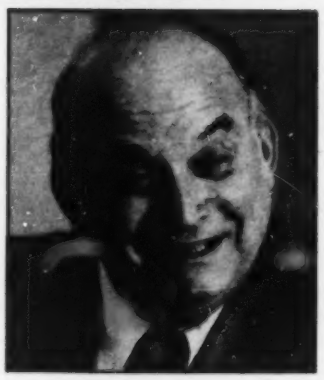
Continued on page 31

Ballard curtails pioneering real estate career

By Andrew Reinbach

NEW YORK — Claude M. Ballard is retiring from Goldman, Sachs & Co. in November, soon after his 59th birthday, to tend his own investments and work part-time for Goldman. He leaves behind a career that helped define today's real estate business.

"My wife has been pushing me for years to retire. She thought she had me when I left Prudential (Insurance Co.) in 1981, but I did an end run when Goldman, Sachs made me an offer, so she's been pushing ever since," he said.



Claude Ballard will reduce his workload at Goldman, Sachs effective this November.

Mr. Ballard will be working on a consulting basis for Goldman — he said he'll keep his office in New York and will put in an average of a week to 10 days per month "wherever I'm needed, anywhere in the world" — lecturing and paying more attention to his independent real estate business.

During the past several years, he and three partners at Goldman — Eugene Mercy Jr., Lewis M. Eisenberg and George E. Doty — assembled a big portfolio of agricultural land and commercial real estate separate from Goldman, and he expects to be more active in that business from now on.

Mr. Ballard will be living in Little Rock, Ark., where he's building a house, to be near the bulk of his holdings, and in Bal Harbour, Fla., where he has owned a house for several years. He also will be keeping his New York apartment.

Mr. Ballard, together with Meyer Melnikoff, created pension fund real estate investment in the 1970s by reifying Prudential's PRISA, the first successful commingled real estate fund.

His arrival at Goldman in 1981 helped transform Wall Street real estate investment banking from service functions of most corporate finance departments into independent, transaction-based profit centers, as well as marking the beginning of Goldman's domination of that business.

"Claude is one of the great gurus of our industry, a man of thought and a man of action," said Don Williams, managing partner of the $14 billion Trammell Crow Co., Dallas, generally regarded as the nation's largest real estate developer. "He was one of the early intellectual leaders, a very strong person with very sound ideas, and he was instrumental in creating modern real estate finance."

This is high praise indeed, coming from the partner of a man who once was one of Mr. Ballard's most bitter adversaries. Trammell Crow and Mr. Ballard squared off over the mid-1970s workout negotiations for the Crow empire,

Continued on page 29

Partners file suit to oust Brignoli

By Barry B. Burr

NEW YORK — Duane G. Roberts, John J. Curley and another partner have filed suit in federal court against Richard Brignoli seeking his removal from control of or dissolution of Brignoli, Curley & Roberts Associates.

The action, filed by the three in U.S. District Court in New York, follows the abrupt departures during the past 10 months of Messrs. Roberts, Curley and James Karanfilian, the third partner and plaintiff, from active participation in one of the most successful money management firms in recent years.

In a separate suit, filed in the same court, Mr. Roberts charges breach of contract, claiming he was terminated from employment without cause and not paid compensation, including a percentage of the fees paid by clients, as provided under an agreement. Mr. Roberts, who alone is seeking some $760,000 and costs, led the firm's marketing. He left the firm in March.

A third suit, filed in New York Supreme Court by James M. Mallick of Beverly Hills, Calif., seeks $32,432 plus interest and other costs, claiming default on a loan advanced to Brignoli, Curley & Roberts in 1984.

Continued on page 30